



# INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

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

**Michael R. Pence**  
Governor

**Thomas W. Easterly**  
Commissioner

TO: Interested Parties / Applicant

DATE: March 6, 2014

RE: NIPSCO – Bailly Generating Station / 127-34111-00002

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 13-17-3-4 and 326 IAC 2, this approval is effective immediately, unless a petition for stay of effectiveness is filed and granted, 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 4-21.5-3-7 and IC 13-15-7-3 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 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-MOD.dot 6/13/2013



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Mr. John M. Ross  
NIPSCO-Bailly Generating Station  
801 E 86th Avenue  
Merrillville, IN 46410

March 6, 2014

Re: 127-34111-00002  
Minor Source Modification

Dear Mr. Ross,

NIPSCO-Bailly Generating Station was issued Part 70 Operating Permit Renewal No. T127-29738-00002 on September 6, 2012 for a stationary electric utility generating station located at 246 Bailly Station Road, Chesterton, IN 46304. An application to modify the source to install an activated carbon injection (ACI) system for use on each of the two units at the Bailly Generating Station for control of mercury emissions was received on January 24, 2014. Pursuant to the provisions of 326 IAC 2-7-10.5, a Minor Source Modification is hereby approved as described in the attached Technical Support Document.

Pursuant to 326 IAC 2-7-10.5, the following emission units and other equipment are approved for construction at the source:

- (c) Material Handling and storage facilities for the activated carbon system, approved for construction in 2014, including the following:
  - (1) One (1) storage silo, with a capacity of 160 tons, with a bin vent filter to recover the pneumatically conveyed material
  - (2) Pneumatic conveyance of activated carbon to storage silos from the pneumatic delivery trucks.
  - (3) Mechanical/gravitational conveyance of activated carbon from the storage silos to the feed hopper.
  - (4) Pneumatic conveyance of activated carbon from the feed hopper to the injection grid.
  - (5) An injection grid for each unit to deliver activated carbon into the flue gas path upstream from the ESP with maximum injection rate of 6 pounds per million actual cubic feet (acf).

The following construction conditions are applicable to the proposed modification:

#### General Construction Conditions

1. The data and information supplied with the application shall be considered part of this source modification approval. Prior to any proposed change in construction which may affect the potential to emit (PTE) of the proposed project, the change must be approved by the Office of Air Quality (OAQ).
2. This approval to construct does not relieve the Permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

- Effective Date of the Permit
3. Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.
- Commenced Construction
4. Pursuant to 326 IAC 2-1.1-9 and 326 IAC 2-7-10.5(j), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.
5. All requirements and conditions of this construction approval shall remain in effect unless modified in a manner consistent with procedures established pursuant to 326 IAC 2.
- Approval to Construct and Operate
6. Pursuant to 326 IAC 2-7-10.5(f)(3) and 326 IAC 2-7-11, this Minor Source Modification authorizes both the construction and operation of the new emission units when the Minor Source Modification has been issued.

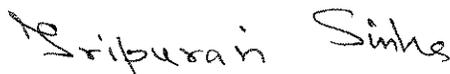
Operating conditions shall be incorporated into the Part 70 Operating Permit as an Administrative Amendment in accordance with 326 IAC 2-7-10.5(m)(1) and 326 IAC 2-7-11 (Administrative Amendment).

A copy of the permit is available on the Internet at: <http://www.in.gov/ai/appfiles/idem-caats/>. For additional information about air permits and how the public and interested parties can participate, refer to the IDEM's Guide for Citizen Participation and, refer to the IDEM's Permit Guide on the Internet at: [www.idem.in.gov](http://www.idem.in.gov)

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 Deena Patton of my staff, OAQ, 100 North Senate Avenue, MC 61-53 IGCN 1003, Indianapolis, Indiana, 46204-2251, or call at (800) 451-6027, and ask for Deena Patton or extension 4-5400 or dial (317) 234-5400.

Sincerely,



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

Attachments: Minor Source Modification and Technical Support Document

cc: File - Porter County  
Porter County Health Department  
U.S. EPA, Region V  
Compliance and Enforcement Branch  
IDEM Northwest Regional Office



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**Minor Source Modification  
to a Part 70 Source**

**OFFICE OF AIR QUALITY**

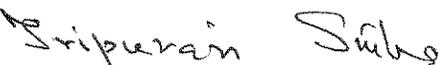
**NIPSCO - Bailly Generating Station  
246 Bailly Station Road  
Chesterton, IN 46304**

(herein known as the Permittee) is hereby authorized to construct subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17. This permit also addresses certain new source review requirements for existing equipment and is intended to fulfill the new source review procedures pursuant to 326 IAC 2-7-10.5, applicable to those conditions.

Minor Source Modification No.: 127-34111-00002

Issued by:

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

Issuance Date: March 6, 2014



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## **F. PROVISION OF NIPSCO CONSENT DECREE APPLICABLE TO BAILLY GENERATING STATION**

- F.1 Consent Decree [United State and the State of Indiana v. Northern Indiana Public Service Co., 2:11-cv-00016-JVB-APR (N.D.Ind. July 22, 2011), paragraph 169] [326 IAC 2-7-6(3)]

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[40 CFR 97, Subpart BBB] [40 CFR 97, Subpart BBBB]

Certification  
Emergency Occurrence Report  
Part 70 Usage Report  
Quarterly Report  
Quarterly Deviation and Compliance Monitoring Report

**Attachment A - Decree Paragraphs and Tables**  
**Attachment B - NIPSCO- DC**  
**Attachment C - NESHAP 40 CFR 63, Subpart ZZZZ**  
**Attachment D - NSPS 40 CFR 60, Subpart Y**  
**Appendix C - Acid Rain Permit**  
**Appendix A - Site Map**

## SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

### A.1 General Information [326 IAC 2-7-4(c)][326 IAC 2-7-5(14)][326 IAC 2-7-1(22)]

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The Permittee owns and operates a stationary electric Utility generating station.

Source Address:	246 Bailly Station Road, Chesterton, Indiana 46304
General Source Phone Number:	219-647-5252
SIC Code:	4911
County Location:	Porter
Source Location Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Operating Permit Program Major Source, under PSD Rules Major Source, Section 112 of the Clean Air Act 1 of 28 Source Categories

### A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(14)]

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This stationary source consists of the following emission units and pollution control devices:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was also authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of 40 million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7

and 8 are exhausted through the bypass stack, Stack CS002.

- (c) Two (2) natural gas-fired boilers, identified as Auxiliary Boiler 1 and Auxiliary Boiler 2, with construction completed in 1980, each with a nominal heat input capacity of 99.9 million Btu per hour, both exhausting through Stack 5.
- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.
- (e) One (1) 825 horsepower black start diesel starter engine for Unit 10 combustion turbine.
- (f) A coal storage and handling system for Units 7 and 8, constructed in 1962 and 1968, with a maximum throughput of 1000 tons of coal per hour, consisting of the following equipment:
  - (1) One (1) railcar unloading station with particulate emissions controlled by enclosure and wet suppression.
  - (2) An enclosed conveyor system, with the transfer points underground or enclosed by buildings. A telescoping chute is used to drop coal to the storage pile(s).
  - (3) Coal storage pile(s), with fugitive dust emissions controlled by compaction.
- (g) Two (2) enclosed coal crushers, constructed before October 24, 1974 and reconstructed in 2003, each with a maximum throughput of 600 tons of coal per hour, exhausting through a baghouse.
- (h) Material handling and storage facilities for the flue gas desulfurization system, with installation started in 1990 and completed in 1992, including the following:
  - (1) Pneumatic conveyance of limestone to storage silos and from the silos to the scrubber, at a maximum throughput rate of 26.7 tons per hour.
  - (2) Pneumatic conveyance of hydrated lime to a storage silo and from the silo to the scrubber, at a maximum throughput rate of 4.8 tons per hour.
  - (3) Two (2) limestone storage silos, with a combined storage capacity of 2225 tons, each with a bin vent filter to recover the pneumatically conveyed material.
  - (4) One (1) hydrated lime storage silo, with a storage capacity of 115 tons, with a bin vent filter to recover the pneumatically conveyed material.
  - (5) Dewatered gypsum is transferred via an enclosed conveyor to an enclosed storage building at a maximum throughput rate of 48.8 tons per hour. Gypsum is transferred to trucks by front end loader in the building and taken offsite.
- (i) Fly ash handling, installed in 1981 or 1982, including the following:
  - (1) Vacuum conveyance of fly ash to storage silos with particulate emissions controlled by bin vent filter, with a maximum throughput rate of 10.2 tons per hour.
  - (2) Two (2) fly ash silo unloaders with silo collector bag filters and silo bin vent bag filters. Each silo has wet and dry unloaders, each with a maximum throughput rate of 500 tons/hr, with particulate emissions from each controlled by the use of

a telescoping chute with a vacuum system and a storage silo bin vent filter when the ash is being loaded dry, and controlled by the use of water spray mixed with the ash when the ash is being loaded wet.

- (j) Wet process bottom ash handling installed in the 1960's, with bottom ash sluiced to storage pond(s), with water cover or vegetation sufficient to prevent ash re-entrainment. Ash removed from the pond(s) is stored in piles before being taken offsite by truck.
- (k) Material Handling and storage facilities for the activated carbon system, approved for construction in 2014, including the following:
  - (1) One (1) storage silo, with a capacity of 160 tons, with a bin vent filter to recover the pneumatically conveyed material
  - (2) Pneumatic conveyance of activated carbon to storage silos from the pneumatic delivery trucks.
  - (3) Mechanical/gravitational conveyance of activated carbon from the storage silos to the feed hopper.
  - (4) Pneumatic conveyance of activated carbon from the feed hopper to the injection grid.
  - (5) An injection grid for each unit to deliver activated carbon into the flue gas path upstream of the ESP with maximum injection rate of 6 pounds per million actual cubic feet (acf).

A.3 Specifically Regulated Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)]  
[326 IAC 2-7-5(14)]

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This stationary source also includes the following insignificant activities which are specifically regulated, as defined in 326 IAC 2-7-1(21):

- (a) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour, including one (1) 2.4 million Btu per hour (MMBtu/hr) natural gas-fired main office building boiler installed after 1985, and one (1) 780,000 Btu per hour natural gas-fired boiler at the EPSC (the Electric Production Service Center building) installed in the 1990's, for building heat only. [326 IAC 6-2]
- (b) Degreasing operations that do not exceed 145 gallons per 12 months, except if subject to 326 IAC 20-6. [326 IAC 8-3-2]
- (c) Cleaners and solvents characterized as follows: [326 IAC 8-3]
  - (1) Having a vapor pressure equal to or less than 2 kPa; 15 mm Hg; or 0.3 psi measured at 38 degrees C (100°F) or;
  - (2) Having a vapor pressure equal to or less than 0.7 kPa; 5mm Hg; or 0.1 psi measured at 20°C (68°F); the use of which for all cleaners and solvents combined does not exceed 145 gallons per 12 months.
- (d) Coal bunker and associated dust collector vents. [326 IAC 6-3]
- (e) Emergency generators as follows: One (1) FGD system emergency quench pump powered by a 500 horsepower diesel generator. [326 IAC 7] [326 IAC 2]

- (f) Other emergency equipment as follows [326 IAC 7]:
  - (1) One (1) stationary fire pump (diesel-fired).
  - (2) One (1) Unit 10 emergency generator, using diesel as fuel, with a capacity of 825 horsepower.
- (g) Grinding and machining operations controlled with fabric filters, scrubbers, mist collectors, wet collectors and electrostatic precipitators with a design grain loading of less than or equal to 0.03 grains per actual cubic foot and a gas flow rate less than or equal to 4000 actual cubic feet per minute, including the following: deburring; buffing; polishing; abrasive blasting; pneumatic conveying; and woodworking operations.  
[326 IAC 6-3]
- (h) Other activities or categories not previously identified with potential, uncontrolled emissions equal to or less than thresholds require listing only: Pb 0.6 ton per year or 3.29 pounds per day, SO<sub>2</sub> 5 pounds per hour or 25 pounds per day, NO<sub>x</sub> 5 pounds per hour or 25 pounds per day, CO 25 pounds per day, PM 5 pounds per hour or 25 pounds per day, VOC 3 pounds per hour or 15 pounds per day; including evaporation of boiler chemical cleaning liquids.

A.4 Part 70 Permit Applicability [326 IAC 2-7-2]

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This stationary source is required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

- (a) It is a major source, as defined in 326 IAC 2-7-1(22);
- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability);
- (c) It is an affected source under Title IV (Acid Deposition Control) of the Clean Air Act, as defined in 326 IAC 2-7-1(3).

## **SECTION B GENERAL CONDITIONS**

### **B.1 Definitions [326 IAC 2-7-1]**

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- (a) Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.
- (b) Notwithstanding B.1(a), the terms located in paragraphs of the Decree that are incorporated by reference into this permit in accordance with Section F and Attachment A shall have the definition, and only the definition, assigned to such terms in the Decree and are limited to Section F and Attachment A.

### **B.2 Permit Term [326 IAC 2-7-5(2)][326 IAC 2-1.1-9.5][326 IAC 2-7-4(a)(1)(D)][IC 13-15-3-6(a)]**

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- (a) This permit, T127-29738-00002, is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit or of permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).
- (b) If IDEM, OAQ, upon receiving a timely and complete renewal permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.

### **B.3 Enforceability [326 IAC 2-7-7] [IC 13-17-12]**

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Unless otherwise stated, all terms and conditions in this permit, including any provisions designed to limit the source's potential to emit, are enforceable by IDEM, the United States Environmental Protection Agency (U.S. EPA) and by citizens in accordance with the Clean Air Act.

### **B.4 Termination of Right to Operate [326 IAC 2-7-10][326 IAC 2-7-4(a)]**

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The Permittee's right to operate this source terminates with the expiration of this permit unless a timely and complete renewal application is submitted at least nine (9) months prior to the date of expiration of the source's existing permit, consistent with 326 IAC 2-7-3 and 326 IAC 2-7-4(a).

### **B.5 Severability [326 IAC 2-7-5(5)]**

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The provisions of this permit are severable; a determination that any portion of this permit is invalid shall not affect the validity of the remainder of the permit.

### **B.6 Property Rights or Exclusive Privilege [326 IAC 2-7-5(6)(D)]**

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This permit does not convey any property rights of any sort or any exclusive privilege.

### **B.7 Duty to Provide Information [326 IAC 2-7-5(6)(E)]**

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- (a) The Permittee shall furnish to IDEM, OAQ, within a reasonable time, any information that IDEM, OAQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. Upon request, the Permittee shall also furnish to IDEM, OAQ copies of records required to be kept by this permit.
- (b) For information furnished by the Permittee to IDEM, OAQ, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1. When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

**B.8 Certification [326 IAC 2-7-4(f)][326 IAC 2-7-6(1)][326 IAC 2-7-5(3)(C)]**

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- (a) A certification required by this permit meets the requirements of 326 IAC 2-7-6(1) if:
- (1) it contains a certification by a "responsible official" as defined by 326 IAC 2-7-1(35), and
  - (2) the certification states that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- (b) The Permittee may use the attached Certification Form, or its equivalent with each submittal requiring certification. One (1) certification may cover multiple forms in one (1) submittal.
- (c) A "responsible official" is defined at 326 IAC 2-7-1(35).

**B.9 Annual Compliance Certification [326 IAC 2-7-6(5)]**

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- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. All certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted no later than July 1 of each year to:
- Indiana Department of Environmental Management  
Compliance and Enforcement Branch, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251
- and
- United States Environmental Protection Agency, Region V  
Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)  
77 West Jackson Boulevard  
Chicago, Illinois 60604-3590
- (b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
- (1) The appropriate identification of each term or condition of this permit that is the basis of the certification;
  - (2) The compliance status;
  - (3) Whether compliance was continuous or intermittent;
  - (4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3); and

- (5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ may require to determine the compliance status of the source.

The submittal by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

B.10 Preventive Maintenance Plan [326 IAC 2-7-5(12)][326 IAC 1-6-3]

- (a) A Preventive Maintenance Plan meets the requirements of 326 IAC 1-6-3 if it includes, at a minimum:

- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
- (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and
- (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

- (b) If required by specific condition(s) in Section D of this permit where no PMP was previously required, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) no later than ninety (90) days after issuance of this permit or ninety (90) days after initial start-up, whichever is later, including the following information on each facility:

- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices. "Identification" does not require listing of the individual by his or her name;
- (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and
- (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If, due to circumstances beyond the Permittee's control, the PMPs cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

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

The PMP extension notification does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

The Permittee shall implement the PMP(s) required by a specific condition(s) in Section D of this permit.

- (c) A copy of the PMPs shall be submitted to IDEM, OAQ within a reasonable time upon request by IDEM, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions specified in this permit. The PMPs and their submittal do not require a certification that

meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

- (d) To the extent the Permittee is required by 40 CFR Part 60/63 to have an Operation Maintenance, and Monitoring (OMM) Plan for a unit, such Plan is deemed to satisfy the PMP requirements of 326 IAC 1-6-3 for that unit.

B.11 Emergency Provisions [326 IAC 2-7-16]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation.

- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:

- (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
- (2) The permitted facility was at the time being properly operated;
- (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;
- (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, or Northwest Regional Office within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance and Enforcement Branch), or  
Telephone Number: 317-233-0178 (ask for Office of Air Quality, Compliance and Enforcement Branch)  
Facsimile Number: 317-233-6865  
Northwest Regional Office phone: (219) 464-0233; fax: (219) 464-0553.

- (5) For each emergency lasting one (1) hour or more, the Permittee submitted the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

Indiana Department of Environmental Management  
Compliance and Enforcement Branch, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

within two (2) working days of the time when emission limitations were exceeded due to the emergency.

The notice fulfills the requirement of 326 IAC 2-7-5(3)(C)(ii) and must contain the following:

- (A) A description of the emergency;
- (B) Any steps taken to mitigate the emissions; and

(C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
- (d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
- (e) The Permittee seeking to establish the occurrence of an emergency shall make records available upon request to ensure that failure to implement a PMP did not cause or contribute to an exceedance of any limitations on emissions. However, IDEM, OAQ may require that the Preventive Maintenance Plans required under 326 IAC 2-7-4(c)(8) be revised in response to an emergency.
- (f) Failure to notify IDEM, OAQ by telephone or facsimile of an emergency lasting more than one (1) hour in accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-7 and any other applicable rules.
- (g) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.

B.12 Permit Shield [326 IAC 2-7-15][326 IAC 2-7-20][326 IAC 2-7-12]

- (a) Pursuant to 326 IAC 2-7-15, the Permittee has been granted a permit shield. The permit shield provides that compliance with the conditions of this permit shall be deemed compliance with any applicable requirements as of the date of permit issuance, provided that either the applicable requirements are included and specifically identified in this permit or the permit contains an explicit determination or concise summary of a determination that other specifically identified requirements are not applicable. The Indiana statutes from IC 13 and rules from 326 IAC, referenced in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a Part 70 permit under 326 IAC 2-7 or for applicable requirements for which a permit shield has been granted.

This permit shield does not extend to applicable requirements which are promulgated after the date of issuance of this permit unless this permit has been modified to reflect such new requirements.

- (b) If, after issuance of this permit, it is determined that the permit is in nonconformance with an applicable requirement that applied to the source on the date of permit issuance, IDEM, OAQ, shall immediately take steps to reopen and revise this permit and issue a compliance order to the Permittee to ensure expeditious compliance with the applicable requirement until the permit is reissued. The permit shield shall continue in effect so long as the Permittee is in compliance with the compliance order.

- (c) No permit shield shall apply to any permit term or condition that is determined after issuance of this permit to have been based on erroneous information supplied in the permit application. Erroneous information means information that the Permittee knew to be false, or in the exercise of reasonable care should have been known to be false, at the time the information was submitted.
- (d) Nothing in 326 IAC 2-7-15 or in this permit shall alter or affect the following:
  - (1) The provisions of Section 303 of the Clean Air Act (emergency orders), including the authority of the U.S. EPA under Section 303 of the Clean Air Act;
  - (2) The liability of the Permittee for any violation of applicable requirements prior to or at the time of the effective date of this permit;
  - (3) The applicable requirements of the acid rain program, consistent with Section 408(a) of the Clean Air Act; and
  - (4) The ability of U.S. EPA to obtain information from the Permittee under Section 114 of the Clean Air Act.
- (e) This permit shield is not applicable to any change made under 326 IAC 2-7-20(b)(2) (Sections 502(b)(10) of the Clean Air Act changes) and 326 IAC 2-7-20(c)(2) (trading based on State Implementation Plan (SIP) provisions).
- (f) This permit shield is not applicable to modifications eligible for group processing until after IDEM, OAQ, has issued the modifications. [326 IAC 2-7-12(c)(7)]
- (g) This permit shield is not applicable to minor Part 70 permit modifications until after IDEM, OAQ, has issued the modification. [326 IAC 2-7-12(b)(8)]

B.13 Prior Permits Superseded [326 IAC 2-1.1-9.5][326 IAC 2-7-10.5]

- (a) All terms and conditions of permits established prior to T127-29738-00002 and issued pursuant to permitting programs approved into the state implementation plan have been either:
  - (1) incorporated as originally stated,
  - (2) revised under 326 IAC 2-7-10.5, or
  - (3) deleted under 326 IAC 2-7-10.5.
- (b) Provided that all terms and conditions are accurately reflected in this permit, all previous registrations and permits are superseded by this Part 70 operating permit, except for permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control)

B.14 Reserved

B.15 Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-7-5(6)(C)][326 IAC 2-7-8(a)][326 IAC 2-7-9]

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 Operating Permit modification, revocation and reissuance, or termination, or of a notification of planned changes or

anticipated noncompliance does not stay any condition of this permit.

[326 IAC 2-7-5(6)(C)] The notification by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

- (b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ determines any of the following:
  - (1) That this permit contains a material mistake.
  - (2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.
  - (3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-7-9(a)(3)]
- (c) Proceedings by IDEM, OAQ to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-7-9(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-7-9(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ may provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(c)]

**B.16 Permit Renewal [326 IAC 2-7-3][326 IAC 2-7-4][326 IAC 2-7-8(e)]**

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- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ and shall include the information specified in 326 IAC 2-7-4. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

- (b) A timely renewal application is one that is:
  - (1) Submitted at least nine (9) months prior to the date of the expiration of this permit; and
  - (2) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.
- (c) If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ takes

final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified, pursuant to 326 IAC 2-7-4(a)(2)(D), in writing by IDEM, OAQ any additional information identified as being needed to process the application.

**B.17 Source Modification Requirements [326 IAC 1-2-42][326 IAC 2-7-10.5][326 IAC 2-2-2]  
[326 IAC 2-3-2]**

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(a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the IDEM, OAQ prior to making any modification to the source:

(b) Any application requesting a source modification shall be submitted to:

Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

Any such application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

(c) The Permittee shall also comply with the applicable provisions of 326 IAC 2-7-11 (Administrative Permit Amendments) or 326 IAC 2-7-12 (Permit Modification) prior to operating the approved modification.

(d) Any modification at an existing major source is governed by the requirements of 326 IAC 2-2-2 and 326 IAC 2-3-2.

**B.18 Permit Amendment or Modification [326 IAC 2-7-11][326 IAC 2-7-12] [40 CFR 72]**

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(a) Permit amendments and modifications are governed by the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 whenever the Permittee seeks to amend or modify this permit.

(b) Pursuant to 326 IAC 2-7-11(b) and 326 IAC 2-7-12(a), administrative Part 70 operating permit amendments and permit modifications for purposes of the acid rain portion of a Part 70 permit shall be governed by regulations promulgated under Title IV of the Clean Air Act. [40 CFR 72]

(c) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

Any such application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

(d) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

B.19 Permit Revision Under Economic Incentives and Other Programs [326 IAC 2-7-5(8)]  
[326 IAC 2-7-12(b)(2)]

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- (a) No Part 70 permit revision or notice shall be required under any approved economic incentives, marketable Part 70 permits, emissions trading, and other similar programs or processes for changes that are provided for in a Part 70 permit.
- (b) Notwithstanding 326 IAC 2-7-12(b)(1) and 326 IAC 2-7-12(c)(1), minor Part 70 permit modification procedures may be used for Part 70 modifications involving the use of economic incentives, marketable Part 70 permits, emissions trading, and other similar approaches to the extent that such minor Part 70 permit modification procedures are explicitly provided for in the applicable State Implementation Plan (SIP) or in applicable requirements promulgated or approved by the U.S. EPA.

B.20 Operational Flexibility [326 IAC 2-7-20][326 IAC 2-7-10.5]

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- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b) or (c) without a prior permit revision, if each of the following conditions is met:
  - (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
  - (2) Any preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;
  - (3) The changes do not result in emissions which exceed the limitations provided in this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
  - (4) The Permittee notifies the:  
  
Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251  
  
and  
  
United States Environmental Protection Agency, Region V  
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)  
77 West Jackson Boulevard  
Chicago, Illinois 60604-3590  
  
in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and
  - (5) The Permittee maintains records on-site, on a rolling five (5) year basis, which document all such changes and emission trades that are subject to 326 IAC 2-7-20(b)(1) and (c)(1). The Permittee shall make such records available, upon reasonable request, for public review.  
  
Such records shall consist of all information required to be submitted to IDEM, OAQ in the notices specified in 326 IAC 2-7-20(b)(1) and (c)(1).
- (b) The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is

defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of 326 IAC 2-7-20(a). For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:

- (1) A brief description of the change within the source;
- (2) The date on which the change will occur;
- (3) Any change in emissions; and
- (4) Any permit term or condition that is no longer applicable as a result of the change.

The notification which shall be submitted is not considered an application form, report or compliance certification. Therefore, the notification by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

- (c) Emission Trades [326 IAC 2-7-20(c)]  
The Permittee may trade emissions increases and decreases at the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c). The notification requirement per this condition does not apply to emission trades of SO<sub>2</sub> or NO<sub>x</sub> under 326 IAC 21 or 326 IAC 10-4, or other emission trading programs established by 326 IAC or federal emission trading programs.
- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]  
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.
- (e) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.
- (f) This condition, B.20 does not apply to emission trades of SO<sub>2</sub> or NO<sub>x</sub> under 326 IAC 21 or 326 IAC 10-4, or other emission trading programs established by 326 IAC or federal emission trading programs.

**B.21 Inspection and Entry [326 IAC 2-7-6][IC 13-14-2-2][IC 13-30-3-1][IC 13-17-3-2]**

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Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, the Permittee shall allow IDEM, OAQ, U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy any records that must be kept under the conditions of this permit;
- (c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect any facilities, equipment (including monitoring and air pollution control equipment),

practices, or operations regulated or required under this permit;

- (d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

**B.22** Transfer of Ownership or Operational Control [326 IAC 2-7-11]

- (a) The Permittee must comply with the requirements of 326 IAC 2-7-11 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.
- (b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

Any such application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

**B.23** Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-7-5(7)][326 IAC 2-1.1-7]

- (a) The Permittee shall pay annual fees to IDEM, OAQ within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ the applicable fee is due April 1 of each year.
- (b) Except as provided in 326 IAC 2-7-19(e), failure to pay may result in administrative enforcement action or revocation of this permit.
- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, Billing, Licensing, and Training Section), to determine the appropriate permit fee.

**B.24** Credible Evidence [326 IAC 2-7-5(3)][326 IAC 2-7-6][62 FR 8314] [326 IAC 1-1-6]

For the purpose of submitting compliance certifications or establishing whether or not the Permittee has violated or is in violation of any condition of this permit, nothing in this permit shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether the Permittee would have been in compliance with the condition of this permit if the appropriate performance or compliance test or procedure had been performed.

**B.25** Term of Conditions [326 IAC 2-1.1-9.5]

Notwithstanding the permit term of a permit to construct, a permit to operate, or a permit modification, any condition established in a permit issued pursuant to a permitting program

approved in the state implementation plan shall remain in effect until:

- (a) the condition is modified in a subsequent permit action pursuant to Title I of the Clean Air Act; or
- (b) the emission unit to which the condition pertains permanently ceases operation.

## SECTION C SOURCE OPERATION CONDITIONS

Entire Source

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

- C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour [326 IAC 6-3-2]
- 
- Pursuant to 326 IAC 6-3-2(e)(2), particulate emissions from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour.
- C.2 Opacity [326 IAC 5-1]
- 
- Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-1 (Applicability) and 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:
- (a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
  - (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.
- C.3 Open Burning [326 IAC 4-1] [IC 13-17-9]
- 
- The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6. The previous sentence notwithstanding, the Permittee may open burn in accordance with an open burning approval issued by the Commissioner under 326 IAC 4-1-4.1.
- C.4 Incineration [326 IAC 4-2] [326 IAC 9-1-2]
- 
- The Permittee shall not operate an incinerator except as provided in 326 IAC 4-2 or in this permit. The Permittee shall not operate a refuse incinerator or refuse burning equipment except as provided in 326 IAC 9-1-2 or in this permit.
- C.5 Fugitive Dust Emissions [326 IAC 6-4]
- 
- The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.
- C.6 Reserved
- 
- C.7 Stack Height [326 IAC 1-7]
- 
- The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted. The provisions of 326 IAC 1-7-1(3), 326 IAC 1-7-2, 326 IAC 1-7-3(c) and (d), 326 IAC 1-7-4, and 326 IAC 1-7-5(a), (b), and (d) are not federally enforceable.
- C.8 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]
- 
- The Permittee shall comply with the applicable requirements of 326 IAC 14-10, 326 IAC 18, and 40 CFR 61.140.

### **Testing Requirements [326 IAC 2-7-6(1)]**

#### **C.9 Performance Testing [326 IAC 3-6]**

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- (a) For performance testing required by this permit, a test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management  
Compliance and Enforcement Branch, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual performance test date. The notification submitted by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).
- (c) Pursuant to 326 IAC 3-6-4(b), all performance test reports must be received by IDEM, OAQ not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ if the Permittee submits to IDEM, OAQ a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

### **Compliance Requirements [326 IAC 2-1.1-11]**

#### **C.10 Compliance Requirements [326 IAC 2-1.1-11]**

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The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements by issuing an order under 326 IAC 2-1.1-11. Any monitoring or testing shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA.

### **Compliance Monitoring Requirements [326 IAC 2-7-5(1)][326 IAC 2-7-6(1)]**

#### **C.11 Compliance Monitoring [326 IAC 2-7-5(3)][326 IAC 2-7-6(1)][40 CFR 64][326 IAC 3-8]**

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- (a) For new units:

Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units shall be implemented on and after the date of initial start-up.

- (b) For existing units:

Unless otherwise specified in this permit, for all monitoring requirements not already legally required, the Permittee shall be allowed up to ninety (90) days from the date of permit issuance to begin such monitoring. If, due to circumstances beyond the Permittee's control, any monitoring equipment required by this permit cannot be installed and operated no later than ninety (90) days after permit issuance the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

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

in writing, prior to the end of the initial ninety (90) day compliance schedule, with full justification of the reasons for the inability to meet this date.

The notification which shall be submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

C.12 Reserved

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C.13 Reserved

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C.14 Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

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- (a) When required by any condition of this permit, an analog instrument used to measure a parameter related to the operation of an air pollution control device shall have a scale such that the expected maximum reading for the normal range shall be no less than twenty percent (20%) of full scale. The analog instrument shall be capable of measuring values outside of the normal range.
- (b) The Permittee may request that the IDEM, OAQ approve the use of an instrument that does not meet the above specifications provided the Permittee can demonstrate that an alternative instrument specification will adequately ensure compliance with permit conditions requiring the measurement of the parameters.

#### **Corrective Actions and Response Steps [326 IAC 2-7-5][326 IAC 2-7-6]**

C.15 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

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Pursuant to 326 IAC 1-5-2 (Emergency Reduction Plans; Submission):

- (a) The Permittee shall maintain the most recently submitted written emergency reduction plans (ERPs) consistent with safe operating procedures.
- (b) Upon direct notification by IDEM, OAQ that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]

C.16 Risk Management Plan [326 IAC 2-7-5(11)] [40 CFR 68]

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If a regulated substance, as defined in 40 CFR 68, is present at a source in more than a threshold quantity, the Permittee must comply with the applicable requirements of 40 CFR 68.

C.17 Response to Excursions or Exceedances [40 CFR 64][326 IAC 3-8][326 IAC 2-7-5]  
[326 IAC 2-7-6]

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- (l) Upon detecting an excursion where a response step is required by the D Section, or an exceedance of a limitation, not subject to CAM, in this permit:
  - (a) The Permittee shall take reasonable response steps to restore operation of the emissions unit (including any control device and associated capture system) to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practices for minimizing excess emissions.
  - (b) The response shall include minimizing the period of any startup, shutdown or malfunction. The response may include, but is not limited to, the following:
    - (1) initial inspection and evaluation;
    - (2) recording that operations returned or are returning to normal without operator action (such as through response by a computerized distribution



- (d) Elements of a QIP:  
The Permittee shall maintain a written QIP, if required, and have it available for inspection. The plan shall conform to 40 CFR 64.8 b (2).
- (e) If a QIP is required, the Permittee shall develop and implement a QIP as expeditiously as practicable and shall notify the IDEM, OAQ if the period for completing the improvements contained in the QIP exceeds 180 days from the date on which the need to implement the QIP was determined.
- (f) Following implementation of a QIP, upon any subsequent determination pursuant to paragraph (II)(a)(2) of this condition the EPA or the IDEM, OAQ may require that the Permittee make reasonable changes to the QIP if the QIP is found to have:
  - (1) Failed to address the cause of the control device performance problems;  
or
  - (2) Failed to provide adequate procedures for correcting control device performance problems as expeditiously as practicable in accordance with good air pollution control practices for minimizing emissions.
- (g) Implementation of a QIP shall not excuse the Permittee from compliance with any existing emission limitation or standard, or any existing monitoring, testing, reporting or recordkeeping requirement that may apply under federal, state, or local law, or any other applicable requirements under the Act.
- (h) *CAM recordkeeping requirements.*
  - (1) The Permittee shall maintain records of monitoring data, monitor performance data, corrective actions taken, any written quality improvement plan required pursuant to paragraph (II)(a)(2) of this condition and any activities undertaken to implement a quality improvement plan, and other supporting information required to be maintained under this condition (such as data used to document the adequacy of monitoring, or records of monitoring maintenance or corrective actions). Section C - General Record Keeping Requirements of this permit contains the Permittee's obligations with regard to the records required by this condition.
  - (2) Instead of paper records, the owner or operator may maintain records on alternative media, such as microfilm, computer files, magnetic tape disks, or microfiche, provided that the use of such alternative media allows for expeditious inspection and review, and does not conflict with other applicable recordkeeping requirements

C.18 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5][326 IAC 2-7-6]

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall submit a description of its response actions to IDEM, OAQ, no later than seventy-five (75) days after the date of the test.
- (b) A retest to demonstrate compliance shall be performed no later than one hundred eighty (180) days after the date of the test. Should the Permittee demonstrate to IDEM, OAQ that retesting in one hundred eighty (180) days is not practicable, IDEM, OAQ may extend the retesting deadline

- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The response action documents submitted pursuant to this condition do require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

### **Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]**

#### **C.19 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]**

Pursuant to 326 IAC 2-6-3(a)(1), the Permittee shall submit by July 1 of each year an emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4(c) and shall meet the following requirements:

- (1) Indicate estimated actual emissions of all pollutants listed in 326 IAC 2-6-4(a);
- (2) Indicate estimated actual emissions of regulated pollutants as defined by 326 IAC 2-7-1(32) ("Regulated pollutant, which is used only for purposes of Section 19 of this rule") from the source, for purposes of Part 70 fee assessment.

The statement must be submitted to:  
Indiana Department of Environmental Management  
Technical Support and Modeling Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-50 IGCN 1003  
Indianapolis, Indiana 46204-2251

The emission statement does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35).

#### **C.20 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6] [326 IAC 2-2] [326 IAC 2-3]**

- (a) Records of all required monitoring data, reports and support information required by this permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. Support information includes the following, where applicable:

- (AA) All calibration and maintenance records.
- (BB) All original strip chart recordings for continuous monitoring instrumentation.
- (CC) Copies of all reports required by the Part 70 permit.

Records of required monitoring information include the following, where applicable:

- (AA) The date, place, as defined in this permit, and time of sampling or measurements.
- (BB) The dates analyses were performed.
- (CC) The company or entity that performed the analyses.
- (DD) The analytical techniques or methods used.
- (EE) The results of such analyses.
- (FF) The operating conditions as existing at the time of sampling or measurement.

These records shall be physically present or electronically accessible at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

- (b) Unless otherwise specified in this permit, for all record keeping requirements not already legally required, the Permittee shall be allowed up to ninety (90) days from the effective date of the permit or the date of initial start-up, whichever is later, to begin such record keeping.
- (c) If there is a reasonable possibility (as defined in 326 IAC 2-2-8 (b)(6)(A), 326 IAC 2-2-8 (b)(6)(B), 326 IAC 2-3-2 (l)(6)(A), and/or 326 IAC 2-3-2 (l)(6)(B)) that a "project" (as defined in 326 IAC 2-2-1(oo) and/or 326 IAC 2-3-1(jj)) at an existing emissions unit, other than projects at a source with a Plantwide Applicability Limitation (PAL), which is not part of a "major modification" (as defined in 326 IAC 2-2-1(dd) and/or 326 IAC 2-3-1(y)) may result in significant emissions increase and the Permittee elects to utilize the "projected actual emissions" (as defined in 326 IAC 2-2-1(pp) and/or 326 IAC 2-3-1(kk)), the Permittee shall comply with following:
  - (1) Before beginning actual construction of the "project" (as defined in 326 IAC 2-2-1(oo) and/or 326 IAC 2-3-1(jj)) at an existing emissions unit, document and maintain the following records:
    - (A) A description of the project.
    - (B) Identification of any emissions unit whose emissions of a regulated new source review pollutant could be affected by the project.
    - (C) A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including:
      - (i) Baseline actual emissions;
      - (ii) Projected actual emissions;
      - (iii) Amount of emissions excluded under section 326 IAC 2-2-1(pp)(2)(A)(iii) and/or 326 IAC 2-3-1 (kk)(2)(A)(iii); and
      - (iv) An explanation for why the amount was excluded, and any netting calculations, if applicable.
- (d) If there is a reasonable possibility (as defined in 326 IAC 2-2-8 (b)(6)(A) and/or 326 IAC 2-3-2 (l)(6)(A)) that a "project" (as defined in 326 IAC 2-2-1(oo) and/or 326 IAC 2-3-1(jj)) at an existing emissions unit, other than projects at a source with a Plantwide Applicability Limitation (PAL), which is not part of a "major modification" (as defined in 326 IAC 2-2-1(dd) and/or 326 IAC 2-3-1(y)) may result in significant emissions increase and the Permittee elects to utilize the "projected actual emissions" (as defined in 326 IAC 2-2-1(pp) and/or 326 IAC 2-3-1(kk)), the Permittee shall comply with following:
  - (1) Monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that is emitted by any existing emissions unit identified in 326 IAC 2-2-8(b)(1)(B); and
  - (2) Calculate and maintain a record of the annual emissions, in tons per year on a calendar year basis, for a period of five (5) years following resumption of regular operations after the change, or for a period of ten (10) years following resumption of regular operations after the change if the project increases the design capacity of or the potential to emit that regulated NSR pollutant at the emissions unit.

C.21 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11] [326 IAC 2-2] [40 CFR 64][326 IAC 3-8]

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The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Proper notice submittal under Section B- Emergency Provisions satisfies the

reporting requirements of this paragraph. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported except that a deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. This report shall be submitted not later than thirty (30) days after the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35). A deviation is a failure to comply with a requirement of the permit.

- (b) The address for report submittal is:  
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
- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.
- (d) Reporting periods are based on calendar years, unless otherwise specified in this permit. For the purpose of this permit "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.
- (e) If the Permittee is required to comply with the recordkeeping provisions of (d) in Section C – General Record Keeping Requirements for any "project" (as defined in 326 IAC 2-2-1(qq) and/or 326 IAC 2-3-1(II)) at an existing electric utility steam generating unit (EUSGU), the Permittee shall submit a report to the department within sixty (60) days after the end of each year during which records must be generated under subdivision (3) [326 IAC 2-2-8(b)(3)] setting out the unit's annual emissions during the calendar year that preceded submission of the report.
- (f) If the Permittee is required to comply with the recordkeeping provisions of (d) in Section C - General Record Keeping Requirements for any "project" (as defined in 326 IAC 2-2-1 (qq) and/or 326 IAC 2-3-1 (II)) at an existing Non-ESGU emissions unit, and the project meets the following criteria, then the Permittee shall submit a report for that project to IDEM, OAQ:
- (1) The annual emissions, in tons per year, from the project identified in (c)(1) in Section C- General Record Keeping Requirements exceed the baseline actual emissions, as documented and maintained under Section C- General Record Keeping Requirements (c)(1)(C)(i), by a significant amount, as defined in 326 IAC 2-2-1 (ww) and/or 326 IAC 2-3-1 (pp), for that regulated NSR pollutant, and
  - (2) The emissions differ from the preconstruction projection as documented and maintained under Section C - General Record Keeping Requirements (c)(1)(C)(ii).
- (g) The report for a project at an existing emissions unit shall be submitted no later than sixty (60) days after the end of the year and contain the following:
- (1) The name, address, and telephone number of the major stationary source.
  - (2) The annual emissions calculated in accordance with (d)(1) and (2) in Section C - General Record Keeping Requirements.
  - (3) The emissions calculated under the actual-to-projected actual test stated in 326 IAC 2-2-2(d)(3) and/or 326 IAC 2-3-2(c)(3).

- (4) Any other information that the Permittee wishes to include in this report such as an explanation as to why the emissions differ from the preconstruction projection.

Reports required in this part shall be submitted to:  
Indiana Department of Environmental Management  
Compliance and Enforcement Branch, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

- (h) The Permittee shall make the information required to be documented and maintained in accordance with (c) in Section C- General Record Keeping Requirements available for review upon a request for inspection by IDEM, OAQ. The general public may request this information from the IDEM, OAQ under 326 IAC 17.1.

### **Stratospheric Ozone Protection**

#### **C.22 Compliance with 40 CFR 82 and 326 IAC 22-1**

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Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with applicable standards for recycling and emissions reduction.

#### **Ambient Monitoring Requirements [326 IAC 7-3]**

#### **C.23 Ambient Monitoring [326 IAC 7-3]**

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- (a) The Permittee shall operate continuous ambient sulfur dioxide air quality monitors and a meteorological data acquisition system according to a monitoring plan submitted to the commissioner for approval. The monitoring plan shall include requirements listed in 326 IAC 7-3-2(a)(1), 326 IAC 7-3-2(a)(2) and 326 IAC 7-3-2(a)(3).
- (b) The Permittee and other operators subject to the requirements of 326 IAC 7-3, located in the same county, may submit a joint monitoring plan to satisfy the requirements of this rule. [326 IAC 7-3-2(c)]
- (c) The Permittee may petition the commissioner for an administrative waiver of all or some of the requirements of 326 IAC 7-3 if such owner or operator can demonstrate that ambient monitoring is unnecessary to determine continued maintenance of the sulfur dioxide ambient air quality standards in the vicinity of the source. [326 IAC 7-3-2(d)]

## SECTION D.1 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of forty (40) million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) new natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

### Insignificant Activities [326 IAC 2-7-1(21)]

- (h) Other activities or categories not previously identified with potential, uncontrolled emissions equal to or less than thresholds require listing only: Pb 0.6 ton per year or 3.29 pounds per day, SO<sub>2</sub> 5 pounds per hour or 25 pounds per day, NO<sub>x</sub> 5 pounds per hour or 25 pounds per day, CO 25 pounds per day, PM 5 pounds per hour or 25 pounds per day, VOC 3 pounds per hour or 15 pounds per day; including evaporation of boiler chemical cleaning liquids.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.1.0 Prevention Significant Deterioration (PSD) Minor Limits [326 IAC 2-2]

Pursuant to SSM 127-30156-00002, in order to render the requirements of 326 IAC 2-2 (PSD) not applicable:

The natural gas usage for the flue gas reheating duct burners at Unit 8 shall be less than 782 Million Cubic Foot (MMCF) per twelve (12) consecutive month period, with compliance determined at the end of each month, and the NO<sub>x</sub> emissions shall not exceed 102 pounds per MMCF of natural gas.

Compliance with these limits will ensure that the potential to emit of NO<sub>x</sub> for the flue gas reheating duct burners at Unit 8 will be less than 40 tons per year and render the requirements of 326 IAC 2-2 (PSD) not applicable to this modification.

**D.1.1 Sulfur Dioxide (SO<sub>2</sub>) [326 IAC 7-4-14]**

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- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the sulfur dioxide (SO<sub>2</sub>) emissions from the flue gas desulfurization system stack shall be limited to 1.2 pound per million Btu's of energy input based on a thirty (30) day rolling weighted average.
- (b) Pursuant to 326 IAC 7-4-14(2)(A) (Porter County Sulfur Dioxide Emission Limitations), the SO<sub>2</sub> emissions from Unit 7 and Unit 8 shall not exceed 6.0 pounds per million Btu's (lbs/MMBtu) based on a thirty (30) day rolling weighted average when the FGD system is not in use.

**D.1.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-2]**

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- (a) Pursuant to 326 IAC 6-2-2 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(b)), the PM emissions from Unit 7 shall not exceed 0.27 pound per million Btu heat input (lb/MMBtu).
- (b) Pursuant to 326 IAC 6-2-2 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(b)), the PM emissions from Unit 8 shall not exceed 0.22 pound per million Btu heat input (lb/MMBtu).

**D.1.3 Startup, Shutdown and Other Opacity Limits [326 IAC 5-1-3]**

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- (a) Pursuant to 326 IAC 5-1-3(e) (Temporary Alternative Opacity Limitations), the following applies to both Units 7 and 8:
  - (1) When building a new fire in a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a cumulative total of one (1) hour (ten (10) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred fifty (250) degrees Fahrenheit at the inlet of the electrostatic precipitator, whichever occurs first.
  - (2) When shutting down a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a total of one (1) hour (ten (10) six (6)-minute averaging periods) during the shutdown period.
  - (3) Operation of the electrostatic precipitator is not required during these times.
- (b) When removing ashes from the fuel bed or furnace in a boiler or blowing tubes, opacity may exceed the applicable limit established in 326 IAC 5-1-2 and stated in Section C - Opacity. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period and opacity in excess of the applicable limit shall not continue for more than one (1) six (6)-minute averaging period in any sixty (60) minute period. The averaging periods in excess of the limit set in 326 IAC 5-1-2 shall not be permitted for more than three (3) six (6)-minute averaging periods in a twelve (12) hour period. [326 IAC 5-1-3(b)]
- (c) If a facility cannot meet the opacity limitations of 326 IAC 5-1-3(b), the Permittee may submit a written request to IDEM, OAQ, for a temporary alternative opacity limitation in accordance with 326 IAC 5-1-3(d). The Permittee must demonstrate that the alternative limit is needed and justifiable.

## Compliance Determination Requirements

### D.1.4 Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

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By December 31 of the second calendar year following the most recent stack test, compliance with the PM limitation for Boilers 7 and 8 shall be determined by performance stack tests conducted using methods as approved by the Commissioner. This testing shall be repeated by December 31 of every second calendar year following this valid compliance demonstration. Testing shall be conducted in accordance with the provisions of 326 IAC 3-6 (Source Sampling Procedures). Section C - Performance Testing contains the Permittee's obligations with regard to the performance testing required by this condition. For the purpose of this permit, "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

#### D.1.4.1 Maintenance of Continuous Opacity Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

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- (a) The Permittee shall calibrate, maintain, and operate all necessary continuous opacity monitoring systems (COMS) and related equipment. For a boiler, the COMS shall be in operation at all times that the induced draft fan is in operation.
- (b) All (COMS) shall meet the performance specifications of 40 CFR 60, Appendix B, Performance Specification No. 1, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5.
- (c) In the event that a breakdown of a COMS occurs, a record shall be made of the time and reason of the breakdown and efforts made to correct the problem.
- (d) Whenever a COMS is malfunctioning or is down for maintenance, or repairs for a period of twenty-four (24) hours or more and a backup COMS is not online within twenty-four (24) hours of shutdown or malfunction of the primary COMS, the Permittee shall provide a certified opacity reader, who may be an employee of the Permittee or independent contractors, to self-monitor the emissions from the emission unit stack when plume conditions allow.
  - (1) When plume conditions allow, a set of visible emission readings shall be performed in accordance with 40 CFR 60, Appendix A, Method 9, for a minimum of five (5) consecutive six (6) minute averaging periods beginning not more than twenty-four (24) hours after the start of the malfunction or down time.
  - (2) When plume conditions allow, a minimum of one (1) additional set of the Method 9 opacity readings required in D.1.4.1(d)(1) shall be conducted during daylight operations, with at least four (4) hours between each set of readings, until a COMS is online.
  - (3) Method 9 readings may be discontinued once a COMS is online.
  - (4) Any opacity exceedances determined by Method 9 readings shall be reported with the Quarterly Opacity Exceedances Reports.
  - (5) When plume conditions do not allow Method 9 visible emission readings, the Permittee shall keep a record of the period during which readings could not be taken and the reason why such readings could not be taken.
- (e) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous opacity monitoring system pursuant to 326 IAC 3-5.

**D.1.5 Operation of Electrostatic Precipitator [326 IAC 2-7-6(6)]**

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Except as otherwise provided by statute or rule or in this permit, the electrostatic precipitator (ESP) for a unit shall be operated at all times that coal is being combusted in that unit.

**D.1.6 Continuous Emissions Monitoring [326 IAC 3-5][326 IAC 7-2]**

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- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and PC (64) 1816, issued March 15, 1990, continuous emission monitoring systems for Units 7 and 8 shall be calibrated, maintained, and operated for measuring opacity, SO<sub>2</sub> after the scrubber, NO<sub>x</sub>, and either CO<sub>2</sub> or O<sub>2</sub> after the scrubber, which meet the performance specifications of 326 IAC 3-5-2.
- (b) Pursuant to PC (64) 1816, the opacity monitors shall be located in the individual unit ducts downstream of the ESP's but upstream of the FGD system combined flow duct for the scrubbed flue gas exhausting through Stack CS001 and in the stack for the flue gas exhausted through Stack CS002 in locations that meet the EPA CEM location guidelines. Data from these continuous opacity monitors shall not be combined but rather shall be recorded and reported separately.
- (c) Pursuant to PC (64) 1816, a separate 30-day rolling weighted average for SO<sub>2</sub> shall be maintained for the FGD stack (CS001) and the previously existing Bailly station stack (CS002). Each day for which there is a period of more than one hour during which either stack is in use for the purpose of venting emissions from one or both of the Bailly Station units shall be included (on a weighted basis) in the 30 day rolling weighted average for that stack.
- (d) Pursuant to PC (64) 1816, the 30-day rolling weighted average SO<sub>2</sub> emission rates shall be determined by using the continuous emission monitor data to calculate daily SO<sub>2</sub> emission rates. Excess hourly average emission rates due to startup or shutdown may be excluded from the calculation of the daily average but shall be reported on a quarterly basis.
- (e) Pursuant to 326 IAC 7-2-1(g) for SO<sub>2</sub>, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 shall be used as the means for determining compliance with the emission limitations in 326 IAC 7. The other requirements of 326 IAC 7-2 shall not apply.
- (f) All continuous emission monitoring systems are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- (g) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring system pursuant to 326 IAC 3-5, 326 IAC 10-4, or 40 CFR 75.

**Compliance Monitoring Requirements [326 IAC 2-7-5(1)][326 IAC 2-7-6(1)]**

**D.1.7 Transformer-Rectifier (T-R) Sets [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]**

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- (a) The ability of the ESP to control particulate emissions shall be monitored once per day, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the T-R sets.
- (b) Reasonable response steps shall be taken whenever a combined total (considering the T-R sets at both ESPs) of more than (5) T-R sets are not in service. If Unit 7 and its T-R sets are not in operation, then reasonable response steps shall be taken whenever more than five (5) Unit 8 T-R sets are not in service. However, if Unit 8

and its T-R sets are not in operation, then reasonable response steps shall be taken whenever more than three (3) Unit 7 T-R sets are not in service. T-R set failure resulting in a response step obligation under the preceding sentences is not a deviation from this permit. Failure to take response steps shall be considered a deviation from this permit. Section C – Response to Excursions or Exceedances contains the Permittee's obligations with regard to responding to the reasonable response steps required by this condition.

D.1.8 Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) In the event of emissions exceeding thirty percent (30%) average opacity for three (3) consecutive six (6) minute averaging periods during a period when the FGD system is not operating, appropriate response steps shall be taken in accordance with Section C - Response to Excursions or Exceedances such that the cause(s) of the excursion are identified and corrected and opacity levels are brought back below thirty percent (30%). Examples of expected response steps include, but are not limited to, boiler loads being reduced, adjustment of flue gas conditioning rate, and ESP T-R sets being returned to service.
- (b) Opacity readings in excess of thirty percent (30%) but not exceeding the opacity limit for the unit are not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances when opacity exceeds the level specified in (a) of this condition shall be considered a deviation from this permit.
- (c) The Permittee may request that the IDEM, OAQ approve a different opacity trigger level than the one specified in (a) and (b) of this condition, provided the Permittee can demonstrate, through stack testing or other appropriate means, that a different opacity trigger level is appropriate for monitoring compliance with the applicable particulate matter mass emission limits.

D.1.9 SO<sub>2</sub> Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

- (a) Whenever both the primary and back-up SO<sub>2</sub> continuous emission monitoring systems are malfunctioning or down for repairs or adjustments for twenty-four (24) hours or more, and the FGD system is in use, the Permittee shall monitor and record the feed rate to the absorber, pressure drop across the absorber, absorber pH, slurry density, percent (%) solids in slurry, and carbonate concentration in micromoles per liter, to demonstrate that the operation of the scrubber continues in a manner typical for the boiler load and sulfur content of the coal fired. Scrubber parametric monitoring readings shall be recorded at least twice per day until the primary CEMS or a backup CEMS is brought online.
- (b) Whenever both the primary and backup SO<sub>2</sub> continuous emission monitoring (CEM) systems are malfunctioning or down for repairs or adjustments for twenty-four (24) hour or more, and the FGD system is not in use, the following shall be used to provide information related to SO<sub>2</sub> emissions: either fuel sampling and fuel sample preparation and analysis shall be conducted as specified in 326 IAC 3-7-2(a) and (c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e) or, alternatively, a portable analyzer, properly calibrated according to manufacturer specifications (such as manufacturer operating or maintenance manuals), shall be used to monitor SO<sub>2</sub> emissions. Pursuant to 326 IAC 3-7-3, other manual or non-ASTM automatic sampling and analysis procedures may be used upon a demonstration, submitted to the department for approval that such procedures provide sulfur dioxide emission estimates representative either of estimates based on coal sampling and analysis procedures specified in 326 IAC 3-7-2 or of continuous emissions monitoring.

- (c) Whenever the primary and backup SO<sub>2</sub> continuous emission monitoring systems are malfunctioning or down for repairs or adjustments for less than twenty-four (24) hours, the Permittee shall substitute an average of the quality-assured data from the hour immediately before and the hour immediately after the missing data period for each hour of missing data.

### **Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]**

#### **D.1.10 Record Keeping Requirements**

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- (a) To document the compliance status with Section C – Opacity, Section D.1.4.1 - Maintenance of Continuous Opacity Monitoring Equipment, and the particulate matter and opacity requirements in Conditions D.1.2, D.1.3, D.1.4, D.1.6, and D.1.7, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits in Section C - Opacity and Conditions D.1.2 and D.1.3.
- (1) Data and results from the most recent stack test.
  - (2) All continuous opacity monitoring data, pursuant to 326 IAC 3-5-6.
  - (3) The results of all Method 9 visible emission readings taken during any periods of COMS downtime.
  - (4) All ESP parametric monitoring readings.
- (b) To document the compliance status with the SO<sub>2</sub> requirements in Conditions D.1.1(a) and (b), D.1.6, and D.1.9, the Permittee shall maintain records in accordance with (1) through (5) below. Records shall be complete and sufficient to establish compliance with the applicable SO<sub>2</sub> limit(s) as required in Conditions D.1.1, D.1.6, and D.1.9. The Permittee shall maintain records in accordance with (3) and (4) below during SO<sub>2</sub> CEM system downtime.
- (1) All SO<sub>2</sub> continuous emissions monitoring data, pursuant to 326 IAC 3-5-6, 326 IAC 7-2-1(g), and 40 CFR 60.45.
  - (2) All startup periods and shutdown periods.
  - (3) All scrubber parametric monitoring readings taken during any periods of CEM downtime, in accordance with Condition D.1.9(a).
  - (4) All fuel sampling and analysis data collected for or portable analyzer data for SO<sub>2</sub> CEMS downtime, in accordance with Condition D.1.9(b).
  - (5) Actual fuel usage during each SO<sub>2</sub> CEM downtime to the extent such data is required by Condition D.1.9 to be obtained.
- (c) To document the compliance status with Condition D.1.0 - Prevention of Significant Deterioration (PSD) Minor Limits, the Permittee shall maintain records of the monthly quantity of natural gas fired by the Unit 8 duct burners.
- (d) Section C - General Record Keeping Requirements contains the Permittee's obligations with regard to the record keeping required by this condition.

#### D.1.11 Reporting Requirements

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- (a) A quarterly report of opacity exceedances and a quarterly summary of the information to document the compliance status with Section C - Opacity and Conditions D.1.1(a) and (b), D.1.2, D.1.3, and D.1.6 shall be submitted within thirty (30) days after the end of the calendar quarter being reported. The report submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35). Section C - General Reporting Requirements contains the Permittee's obligations with regard to the reporting required by this condition. Pursuant to Condition D.1.6(d) regarding the reporting of 30-day rolling weighted average emission rates for SO<sub>2</sub>, the quarterly report for SO<sub>2</sub> shall explain whether any excess 24 hour average emission rates due to startup and shutdown were excluded from the compliance determination.
- (b) Pursuant to 326 IAC 3-5-7(5), reporting of continuous monitoring system instrument downtime, except for zero (0) and span checks, which shall be reported separately, shall include the following:
- (1) Date of downtime.
  - (2) Time of commencement.
  - (3) Duration of each downtime.
  - (4) Reasons for each downtime.
  - (5) Nature of system repairs and adjustments.
- The report submitted by the Permittee does require the certification by a "responsible official" as defined by 326 IAC 2-7-1(35).
- (c) A quarterly summary of the information to document the compliance status with Condition D.1.0 - Prevention of Significant Deterioration (PSD) Minor Limits shall be submitted, using the reporting forms located at the end of this permit, or their equivalent, not later than thirty (30) days following the end of each calendar quarter. The report submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35). Section C - General Reporting Requirements contains the Permittee's obligations with regard to the reporting required by this condition.

## SECTION D.2 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (c) Two (2) natural gas-fired boilers, identified as Auxiliary Boiler 1 and Auxiliary Boiler 2, with construction completed in 1980, each with a nominal heat input capacity of 99.9 million Btu per hour, both exhausting through Stack 5.

#### Insignificant Activities [326 IAC 2-7-1(21)]

- (a) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour, including one (1) 2.4 million Btu per hour (MMBtu/hr) natural gas-fired main office building boiler installed in the 1985, and one (1) 780,000 Btu per hour natural gas-fired boiler at the EPSC (the Electric Production Service Center building) installed in the 1990's, for building heat only.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.2.1 Prevention of Significant Deterioration (PSD) Minor Limits [326 IAC 2-2]

The Permittee shall comply with the following:

- (a) The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period. Compliance with this limit shall be determined at the end of each month.
- (b) NO<sub>x</sub> emissions shall not exceed 280 lb/MMCF.

Compliance with the above limits shall limit the NO<sub>x</sub> emissions from the auxiliary boilers and other emission units to less than forty (40) tons per year and render the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.

#### D.2.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2]

- (a) Pursuant to 326 IAC 6-2-1(b) and 326 IAC 6-2-2 (Particulate Emission Limitations for Sources of Indirect Heating: Emission Limitations for Facilities Specified in 326 IAC 6-2-1(b)), the particulate matter emissions from Auxiliary Boilers 1 and 2 shall not exceed 0.22 pound per million Btu heat input (lb/MMBtu).
- (b) Pursuant to 326 IAC 6-2-1(b) and 326 IAC 6-2-2 (Particulate Emission Limitations for Sources of Indirect Heating: Emission Limitations for Facilities Specified in 326 IAC 6-2-1(b)), the particulate matter emissions from office building and EPSC building shall not exceed 0.22 pound per million Btu heat input (lb/MMBtu).

#### D.2.3 Startup, Shutdown and Other Opacity Limits [326 IAC 5-1-3]

- (a) Pursuant to 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), the following applies:

When building a new fire in a boiler, or shutting down a boiler, opacity may exceed the applicable limit established in 326 IAC 5-1-2 and stated in Section C - Opacity. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period. Opacity in excess of the applicable limit established in 326 IAC 5-1-2 shall not continue for more than two (2) six (6)-minute averaging periods in any twenty-four (24) hour period. [326 IAC 5-1-3(a)]

- (b) If a facility cannot meet the opacity limitations of 326 IAC 5-1-3(a), the Permittee may submit a written request to IDEM, OAQ, for a temporary alternative opacity limitation in accordance with 326 IAC 5-1-3(d). The Permittee must demonstrate that the

alternative limit is needed and justifiable.

### **Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]**

#### **D.2.4 Record Keeping Requirements**

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- (a) To document the compliance status with Condition D.2.1, the Permittee shall maintain records of the monthly natural gas usage for Auxiliary Boilers 1 and 2, in MMCF.
  
- (b) Section C - General Record Keeping Requirements contains the Permittee's obligations with regard to the record keeping required by this condition.

#### **D.2.5 Reporting Requirements**

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A quarterly summary of the information to document compliance with Condition D.2.1(b), shall be submitted using the reporting forms located at the end of this permit, or their equivalent, not later than thirty (30) days following the end of each calendar quarter. The report submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(35). Section C - General Reporting Requirements contains the Permittee's obligations with regard to the reporting required by this condition.

## SECTION D.3 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.3.1 Porter County Sulfur Dioxide Emission Limitations [326 IAC 7-4-14]

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Pursuant to 326 IAC 7-4-14(2)(B), the Unit 10 combustion turbine shall fire natural gas only.

## SECTION D.4 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (f) A coal storage and handling system for Units 7 and 8, constructed in 1962 and 1968, with a maximum throughput of 1000 tons of coal per hour, consisting of the following equipment:
  - (1) One (1) railcar unloading station with particulate emissions controlled by enclosure and wet suppression.
  - (2) An enclosed conveyor system, with the transfer points underground or enclosed by buildings. A telescoping chute is used to drop coal to the storage pile(s).
  - (3) Coal storage pile(s), with fugitive dust emissions controlled by compaction.
- (g) Two (2) enclosed coal crushers, constructed before October 24, 1974 and reconstructed in 2003, each with a maximum throughput of 600 tons of coal per hour, exhausting through a baghouse.

### Insignificant Activities [326 IAC 2-7-1(21)]

- (d) Coal bunker and coal scale exhausts and associated dust collector vents.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.4.1 Particulate Emission Limitation for Manufacturing Processes [326 IAC 6-3-2]

- (a) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes) the allowable PM emission rate from the coal handling shall be calculated as follows and not exceed 77.59 pounds per hour when operating at a process weight rate of 1000 tons per hour.

Interpolation of the data for the process weight in excess of 60,000 pounds per hour shall be accomplished by use of the equation:

$$E = 55.0P^{0.11} - 40$$

where E = rate of emission in pounds per hour;  
P = process weight rate in tons per hour

Or

For the coal storage and handling at the maximum throughput rate of 1000 tons per hour, the concentration of particulate in the discharge gases to the atmosphere shall be less than 0.10 pounds per one thousand (1,000) pounds of gases.

- (b) Pursuant to 326 IAC 6-3-2(e)(3) (Particulate Emission Limitations for Manufacturing Processes) the coal crushers operating at a process weight rate of 600 tons per hour, the maximum allowable emission shall not exceed 71 pounds per hour.

Or

For the coal crushers at the maximum throughput rate of 600 tons per hour, the concentration of particulate in the discharge gases to the atmosphere shall be less than 0.10 pounds per one thousand (1,000) pounds of gases.

## SECTION D.5 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (h) Material handling and storage facilities for the flue gas desulfurization system, with installation started in 1990 and completed in 1992, including the following:
- (1) Pneumatic conveyance of limestone to storage silos and from the silos to the scrubber, at a maximum throughput rate of 26.7 tons per hour.
  - (2) Pneumatic conveyance of hydrated lime to a storage silo and from the silo to the scrubber, at a maximum throughput rate of 4.8 tons per hour.
  - (3) Two (2) limestone storage silos, with a combined storage capacity of 2225 tons, each with a bin vent filter to recover the pneumatically conveyed material.
  - (4) One (1) hydrated lime storage silo, with a storage capacity of 115 tons, with a bin vent filter to recover the pneumatically conveyed material.
  - (5) Dewatered gypsum is transferred via an enclosed conveyor to an enclosed storage building at a maximum throughput rate of 48.8 tons per hour. Gypsum is transferred to trucks by front end loader in the building and taken offsite.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.5.1 Particulate Emission Limitation for Manufacturing Processes [326 IAC 6-3-2]

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, particulate matter emissions from each of the limestone and lime bin vent filters shall be limited to 0.02 grains per dry acfm.
- (b) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the particulate emission rate from the limestone handling system shall not exceed 37.0 pounds per hour when operating at a process weight rate of 26.7 tons per hour.
- (c) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the particulate emission rate from the hydrated lime handling system shall not exceed 11.7 pounds per hour when operating at a process weight rate of 4.8 tons per hour.

These pounds per hour limitations were calculated using the following equation:  
Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$$E = 4.10 P^{0.67}$$

Where: E = rate of emission in pounds per hour and  
P = process weight rate in tons per hour.

#### D.5.2 Material Handling Requirements [326 IAC 2-2-3]

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the limestone to be used in the flue gas desulfurization system shall be pulverized to the necessary size off-site and

received on-site in a ready to use condition. Lime and limestone shall be delivered to the site in enclosed pneumatic trucks and unloaded pneumatically into storage silos equipped with bin vent filters.

- (b) Dewatered gypsum will be transferred via an enclosed conveyor to an enclosed storage building.

#### D.5.3 Fugitive Dust Plan [326 IAC 2]

Pursuant to PC (64) 1816, issued March 15, 1990, in order to control fugitive particulate emissions associated with the flue gas desulfurization (FGD) system, the following procedures will be implemented to control fugitive particulate emissions from vehicle re-suspension:

- (a) A map illustrating the roadways required to be watered is attached to this permit as Appendix A. The roadways indicated on the map will be cleaned by water flushing at an applied rate of 5,000 gallons per mile on a once per week basis as specified in D.5.3(b) and (c).
- (b) A high pressure water flushing truck will be used to flush the roadway surface.
- (c) The roadway will not be flushed under the following conditions:
  - (1) A minimum of 0.1 inch of rainfall occurred during the preceding 24-hour period. The amount of rainfall will be determined by measurements representative of onsite conditions.
  - (2) It is raining at the time of the scheduled water flushing.
  - (3) The roadway is covered with snow or ice.
  - (4) During periods of freezing temperatures. This condition will be determined by onsite temperature measurements.

#### **Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]**

##### D.5.4 Record Keeping Requirements

- (a) To document the compliance status with Section C – Opacity and Condition D.5.3 - Fugitive Dust Plan, the Permittee shall maintain records of the control procedures for fugitive emissions from vehicle re-suspension.
- (b) Section C - General Record Keeping Requirements contains the Permittee's obligations with regard to the record keeping required by this condition.

## SECTION D.6 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (i) Fly ash handling, installed in 1981 or 1982, including the following:
  - (1) Vacuum conveyance of fly ash to storage silos with particulate emissions controlled by bin vent filter, with a maximum throughput rate of 10.2 tons per hour.
  - (2) Two (2) fly ash silo unloaders with silo collector bag filters and silo bin vent bag filters. Each silo has wet and dry unloaders, each with a maximum throughput rate of 500 tons/hr, with particulate emissions from each controlled by the use of a telescoping chute with a vacuum system and a storage silo bin vent filter when the ash is being loaded dry, and controlled by the use of water spray mixed with the ash when the ash is being loaded wet.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.6.1 Particulate Emission Limitation for Manufacturing Processes [326 IAC 6-3-2]

- (a) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the particulate emission rate from the fly ash conveying system shall not exceed 19.4 pounds per hour when operating at a process weight rate of 10.2 tons per hour. The pounds per hour limitation was calculated using the following equation:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$$E = 4.10 P^{0.67}$$

Where: E = rate of emission in pounds per hour and  
P = process weight rate in tons per hour.

- (b) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes) the allowable PM emission rate from the ash unloaders shall not exceed 68.96 pounds per hour when operating at a process weight rate of 500 tons per hour. Interpolation of the data for the process weight in excess of 60,000 pounds per hour shall be accomplished by use of the equation:

$$E = 55.0P^{0.11} - 40$$

Where: E = rate of emission in pounds per hour;  
P = process weight rate in tons per hour

Pursuant to 326 IAC 6-3-2(e)(3) (Particulate Emission Limitations for Manufacturing Processes), for the ash unloaders at the maximum throughput rate of 500 tons per hour, the concentration of particulate in the discharge gases to the atmosphere shall be less than 0.10 pounds per one thousand (1,000) pounds of gases.

## Compliance Determination Requirements

### D.6.2 Particulate Control [326 IAC 2-7-6(6)]

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Except as otherwise provided by statute or rule or in this permit, the silo collector bag filter and the storage silo bin vent filter for particulate control shall be in operation and control emissions at all times that fly ash is being transferred to the associated storage silo; and the telescoping chute with a vacuum system and bin vent filter, or the water spray, shall be in operation and control emissions at all times that the associated truck loading system is in operation.

## Compliance Monitoring Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

### D.6.3 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

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- (a) Reserved.
- (b) Visible emission notations of the fly ash conveyance, the ash silo bag filter, and the ash silo bin vent filter exhaust shall be performed at least once per day during normal daylight operations when transferring ash to the corresponding silo. A trained employee shall record whether emissions are normal or abnormal.
- (c) Visible emission notations of the nozzle of each telescoping chute shall be performed at least once per day during normal daylight operations when unloading ash through the chute. A trained employee shall record whether emissions are normal or abnormal.
- (d) If any visible emissions of ash are observed from the fly ash conveyance, the ash silo bag filter, and the ash silo bin vent filter exhaust, the Permittee shall take reasonable response steps. Observation of visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps shall be considered a deviation from this permit. Section C – Response to Excursions or Exceedances contains the Permittee's obligations with regard to responding to the reasonable response steps required by this condition.
- (e) If abnormal emissions are observed at the bin vent filter exhaust or from the nozzle of the telescoping chute, the Permittee shall take reasonable response steps. Observation of abnormal emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps shall be considered a deviation from this permit. Section C – Response to Excursions or Exceedances contains the Permittee's obligations with regard to responding to the reasonable response steps required by this condition.
- (f) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation.
- (g) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.
- (h) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

## Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

### D.6.4 Record Keeping Requirements

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- (a) To document the compliance status with Condition D.6.3 - Visible Emission Notations,

the Permittee shall maintain daily records of the visible emission notations of the fly ash conveyance, the ash silo bag filter, and the ash silo bin vent filter exhaust and the nozzle of each telescoping chute. The Permittee shall include in its daily record when a visible emission notation is not taken and the reason for the lack of visible emission notation, (e.g. the process did not operate that day).

- (b) Section C - General Record Keeping Requirements contains the Permittee's obligations with regard to the record keeping required by this condition.

**SECTION D.7**

**RESERVED**

**Emissions Unit Description:**

**Reserved**

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

## SECTION D.8 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description: Insignificant Activities

- (b) Degreasing operations that do not exceed 145 gallons per 12 months, except if subject to 326 IAC 20-6.
- (c) Cleaners and solvents characterized as follows:
  - (1) Having a vapor pressure equal to or less than 2 kPa; 15 mm Hg; or 0.3 psi measured at 38 degrees C (100°F) or;
  - (2) Having a vapor pressure equal to or less than 0.7 kPa; 5mm Hg; or 0.1 psi measured at 20°C (68°F); the use of which for all cleaners and solvents combined does not exceed 145 gallons per 12 months.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.8.1 Cold Cleaner Degreaser Control Equipment and Operating Requirements [326 IAC 8-3-2]

Pursuant to 326 IAC 8-3-2 (Cold Cleaner Degreaser Control and Equipment Operating Requirements), the Permittee shall:

- (a) Ensure the following control equipment and operating requirements are met:
  - (1) Equip the degreaser with a cover.
  - (2) Equip the degreaser with a device for draining cleaned parts.
  - (3) Close the degreaser cover whenever parts are not being handled in the degreaser.
  - (4) Drain cleaned parts for at least fifteen (15) seconds or until dripping ceases;
  - (5) Provide a permanent, conspicuous label that lists the operating requirements in subdivisions (3), (4), (6), and (7).
  - (6) Store waste solvent only in closed containers.
  - (7) Prohibit the disposal or transfer of waste solvent in such a manner that could allow greater than twenty percent (20%) of the waste solvent (by weight) to evaporate into the atmosphere.

#### D.8.2 Material Requirements for Cold Cleaner Degreasers [326 IAC 8-3-8]

Pursuant to 326 IAC 8-3-8 (Material Requirements for Cold Cleaner Degreasers), the Permittee shall not operate a cold cleaning degreaser with a solvent that has a VOC composite partial vapor pressure that exceeds one (1) millimeter of mercury (nineteen-thousandths (0.019) pound per square inch) measured at twenty (20) degrees Celsius (sixty-eight (68) degrees Fahrenheit).

### Record Keeping and Reporting Requirement [326 IAC 2-8-4(3)] [326 IAC 2-8-16]

#### D.8.3 Record Keeping Requirements

To document the compliance status with Condition D.8.2, the Permittee shall maintain the following records for each purchase of solvent used in the cold cleaner degreasing operations.

These records shall be retained on-site or accessible electronically for the most recent three (3) year period and shall be reasonably accessible for an additional two (2) year period.

- (a) The name and address of the solvent supplier.
- (b) The date of purchase.
- (c) The type of solvent purchased.
- (d) The total volume of the solvent purchased.
- (e) The true vapor pressure of the solvent measured in millimeters of mercury at twenty (20) degrees Celsius (sixty-eight (68) degrees Fahrenheit).

## SECTION D.9 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (g) Grinding and machining operations controlled with fabric filters, scrubbers, mist collectors, wet collectors and electrostatic precipitators with a design grain loading of less than or equal to 0.03 grains per actual cubic foot and a gas flow rate less than or equal to 4000 actual cubic feet per minute, including the following: deburring; buffing; polishing; abrasive blasting; pneumatic conveying; and woodworking operations.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### D.9.1 Particulate Emission Limitations for Manufacturing Processes [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the particulate emission rate from the brazing, cutting, soldering, welding, grinding, and machining operations shall not exceed an amount determined by the following, for a process weight rate equal to or greater than 100 pounds per hour:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$$E = 4.10 P^{0.67}$$

Where:

E = rate of emission in pounds per hour and

P = process weight rate in tons per hour.

### Compliance Determination Requirement

#### D.9.2 Particulate Control [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, the fabric filters for particulate control shall be in operation and control emissions from the insignificant activities, which are included in this section and have particulate controls, at all times that the associated process is in operation.

## SECTION E.1 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of forty (40) million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) new natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Emission Limitations and Standards [326 IAC 2-7-5(1)]

#### Acid Rain Program

##### E.1.1 Acid Rain Permit [326 IAC 2-7-5(1)(C)] [326 IAC 21] [40 CFR 72 through 40 CFR 78]

Pursuant to 326 IAC 21 (Acid Deposition Control), the Permittee shall comply with all provisions of the Acid Rain permit issued for this source, and any other applicable requirements contained in 40 CFR 72 through 40 CFR 78. The Acid Rain permit for this source is attached to this permit as Appendix C, and is incorporated by reference.

##### E.1.2 Title IV Emissions Allowances [326 IAC 2-7-5(4)] [326 IAC 21]

Emissions exceeding any allowances that the Permittee lawfully holds under the Title IV Acid Rain Program of the Clean Air Act are prohibited, subject to the following limitations:

- (a) No revision of this permit shall be required for increases in emissions that are authorized by allowances acquired under the Title IV Acid Rain Program, provided that such increases do not require a permit revision under any other applicable requirement.
- (b) No limit shall be placed on the number of allowances held by the Permittee. The Permittee may not use allowances as a defense to noncompliance with any other

applicable requirement.

- (c) Any such allowance shall be accounted for according to the procedures established in regulations promulgated under Title IV of the Clean Air Act.

## SECTION E.2 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (e) One (1) 825 horsepower black start diesel starter engine for Unit 10 combustion turbine.

### Insignificant Activities

- (e) Emergency generators as follows: One (1) FGD system emergency quench pump powered by a 500 horsepower diesel generator.
- (f) Other emergency equipment as follows [326 IAC 7]:
- (1) One (1) stationary fire pump (diesel-fired).
  - (2) One (1) Unit 10 emergency generator, using diesel as fuel, with a maximum capacity less than 1,600 horsepower.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### National Emissions Standard for Hazardous Air Pollutants [326 IAC 2-7-5(1)]

#### E.2.1 General Provisions Relating to National Emissions Standard for Hazardous Air Pollutants for stationary reciprocating Internal Combustion Engines [326 IAC 20-1] [40 CFR Part 63, Subpart A]

Pursuant to 40 CFR 63.6590, the Permittee shall comply with the provisions of 40 CFR Part 63, Subpart A – General Provisions, which are incorporated by reference as 326 IAC 20-1-1 for the affected source, as specified in Appendix A of 40 CFR Part 63, Subpart ZZZZ, in accordance with the schedule in 40 CFR 63 Subpart ZZZZ.

#### E.2.2 National Emissions Standard for Hazardous Air Pollutants for stationary reciprocating Internal Combustion Engines [40 CFR Part 63, Subpart ZZZZ]

Pursuant to CFR Part 63, Subpart ZZZZ, the Permittee shall comply with the provisions of 40 CFR Part 63.6590, for the affected source, as specified as follows:

- (1) 40 CFR 63.6600(d)
- (2) 40 CFR 63.6605
- (3) 40 CFR 63.6610
- (4) 40 CFR 63.6625(h),(i)
- (5) 40 CFR 63.6630
- (6) 40 CFR 63.6635
- (7) 40 CFR 63.6640
- (8) 40 CFR 63.6645(a)(3)
- (9) 40 CFR 63.6645(g)
- (10) 40 CFR 63.6650
- (11) 40 CFR 63.6655
- (12) 40 CFR 63.6660
- (13) 40 CFR 63.6665

### SECTION E.3 EMISSIONS UNIT OPERATION CONDITIONS

**Emissions Unit Description:**

- (g) Two (2) enclosed coal crushers, constructed before October 24, 1974 and reconstructed in 2003, each with a maximum throughput of 600 tons of coal per hour, exhausting through a baghouse.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

**New Source Performance Standards (NSPS) Requirements [40 CFR 60]**

- E.3.1 General Provisions Relating to New Source Performance Standards [326 IAC 12-1] [40 CFR Part 60, Subpart A]

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Pursuant to 40 CFR 60.1, the Permittee shall comply with the provisions of 40 CFR Part 60 Subpart A – General Provisions, which are incorporated by reference as 326 IAC 12-1 for the enclosed coal crushers, except as otherwise specified in 40 CFR Part 60, Subpart Y.

- E.3.2 New Source Performance Standards of Performance for Coal Preparation and Processing Plants Requirements [40 CFR Part 60, Subpart Y] [326 IAC 12]

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Pursuant to 40 CFR Part 60, Subpart Y, the Permittee shall comply with the provisions of New Source Performance Standards for Coal Preparation and Processing Plants, which are incorporated by reference as 326 IAC 12, for the above emission units as specified as follows:

- (1) 40 CFR 60.250
- (2) 40 CFR 60.254(a) opacity provisions only
- (3) 40 CFR 60.255(a)

## SECTION F EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

#### Entire Source

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

### Provisions of NIPSCO Consent Decree Applicable to Bailly Generating Station

F.1 Consent Decree [*United States and the State of Indiana v. Northern Indiana Public Service Co.*, 2:11-cv-00016-JVB-APR (N.D. Ind. July 22, 2011), paragraph 169] [326 IAC 2-7-6(3)]

This source is subject to certain conditions, requirements and limitations set forth in the consent decree entered into by and among the United States, the State of Indiana, and the Permittee in *United States and the State of Indiana v. Northern Indiana Public Service Co.*, 2:11-cv-00016-JVB-APR (N.D. Ind. July 22, 2011) (herein referred to as the "Decree"). Pursuant to paragraph 169 of the Decree, those paragraphs and tables of the Decree listed in Attachment A of this permit are incorporated by reference into this permit and are applicable requirements under this permit. Subject to the terms and conditions of this Section F.1, the Permittee shall comply with the paragraphs and tables of the Decree that are listed in Attachment A of this permit. A copy of the Decree is attached to this permit as Attachment B. However, only those specific paragraphs and tables of the Decree that are included in Attachment A of this permit and incorporated by reference pursuant to this Section F.1, are applicable requirements enforceable through this permit.

Each paragraph and table listed in Attachment A of this permit is incorporated by reference in its entirety, including any and all paragraphs, conditions, requirements and/or limitations of the Decree explicitly referenced in such paragraphs or tables. However, the Permittee's obligations under this permit to comply with the conditions, requirements and limitations incorporated by reference in the paragraphs and tables listed in Attachment A of this permit shall be limited to those conditions, requirements and limitations applicable to, and only to the extent applicable to, the Bailly Station while this permit is in effect. For clarity, such applicable conditions, requirements and limitations shall, subject to the subsequent paragraph, include the annual system tonnage limitations applicable to the NIPSCO System (as that term is defined under paragraph 36 of the Decree) as a whole as provided under Table 4 and Table 6 of the Decree as listed in Attachment A hereto.

In accordance with paragraph 169 of the Decree, any noncompliance with an annual system tonnage limitation incorporated by reference pursuant to this Section F.1 and Attachment A shall constitute a single violation for the NIPSCO System (as that term is defined under paragraph 36 of the Decree) as a whole and does not create a separate violation or violations for each unit or source within the NIPSCO System. Compliance with the paragraphs and tables listed in Attachment A of this permit shall be determined exclusively by reference to the conditions, requirements and limitations of the Decree. Whenever any conflict or inconsistency arises between the Decree and this permit, the terms and conditions of the Decree control.

**SECTION G Clean Air Interstate Rule (CAIR) Nitrogen Oxides Annual, Sulfur Dioxide, and Nitrogen Oxides Ozone Season Trading Programs – CAIR Permit for CAIR Units Under 326 IAC 24-1-1(a), 326 IAC 24-2-1(a), and 326 IAC 24-3-1(a)**

**ORIS Code: 995**

**Emissions Unit Description:**

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of forty (40) million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an activated carbon injection system for control of mercury emissions authorized in 2014, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) new natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

**Emission Limitations and Standards [326 IAC 2-7-5(1)]**

G.1 Automatic Incorporation of Definitions [326 IAC 24-1-7(e)] [326 IAC 24-2-7(e)] [326 IAC 24-3-7(e)] [40 CFR 97.123(b)] [40 CFR 97.223(b)] [40 CFR 97.323(b)]

This CAIR permit is deemed to incorporate automatically the definitions of terms under 326 IAC 24-1-2, 326 IAC 24-2-2, and 326 IAC 24-3-2.

G.2 Standard Permit Requirements [326 IAC 24-1-4(a)] [326 IAC 24-2-4(a)] [326 IAC 24-3-4(a)] [40 CFR 97.106(a)] [40 CFR 97.206(a)] [40 CFR 97.306(a)]

- (a) The owners and operators of each CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source and CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit shall operate each source and unit in compliance with this CAIR permit.

- (b) The CAIR NO<sub>x</sub> units, CAIR SO<sub>2</sub> units, and CAIR NO<sub>x</sub> ozone season units subject to this CAIR permit are Unit 7, Unit 8, and Unit 10.

G.3 Monitoring, Reporting, and Record Keeping Requirements [326 IAC 24-1-4(b)] [326 IAC 24-2-4(b)] [326 IAC 24-3-4(b)] [40 CFR 97.106(b)] [40 CFR 97.206(b)] [40 CFR 97.306(b)]

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- (a) The owners and operators, and the CAIR designated representative, of each CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source and CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit at the source shall comply with the applicable monitoring, reporting, and record keeping requirements of 326 IAC 24-1-11, 326 IAC 24-2-10, and 326 IAC 24-3-11.
- (b) The emissions measurements recorded and reported in accordance with 326 IAC 24-1-11, 326 IAC 24-2-10, and 326 IAC 24-3-11 shall be used to determine compliance by each CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source with the CAIR NO<sub>x</sub> emissions limitation under 326 IAC 24-1-4(c), CAIR SO<sub>2</sub> emissions limitation under 326 IAC 24-2-4(c), and CAIR NO<sub>x</sub> ozone season emissions limitation under 326 IAC 24-3-4(c) and Condition G.4.1, Nitrogen Oxides Emission Requirements, Condition G.4.2, Sulfur Dioxide Emission Requirements, and Condition G.4.3, Nitrogen Oxides Ozone Season Emission Requirements.

G.4.1 Nitrogen Oxides Emission Requirements [326 IAC 24-1-4(c)] [40 CFR 97.106(c)]

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- (a) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit at the source shall hold, in the source's compliance account, CAIR NO<sub>x</sub> allowances available for compliance deductions for the control period under 326 IAC 24-1-9(i) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO<sub>x</sub> units at the source, as determined in accordance with 326 IAC 24-1-11.
- (b) A CAIR NO<sub>x</sub> unit shall be subject to the requirements under 326 IAC 24-1-4(c)(1) for the control period starting on the applicable date, as determined under 326 IAC 24-1-4(c)(2), and for each control period thereafter.
- (c) A CAIR NO<sub>x</sub> allowance shall not be deducted for compliance with the requirements under 326 IAC 24-1-4(c)(1), for a control period in a calendar year before the year for which the CAIR NO<sub>x</sub> allowance was allocated.
- (d) CAIR NO<sub>x</sub> allowances shall be held in, deducted from, or transferred into or among CAIR NO<sub>x</sub> allowance tracking system accounts in accordance with 326 IAC 24-1-9, 326 IAC 24-1-10, and 326 IAC 24-1-12.
- (e) A CAIR NO<sub>x</sub> allowance is a limited authorization to emit one (1) ton of nitrogen oxides in accordance with the CAIR NO<sub>x</sub> annual trading program. No provision of the CAIR NO<sub>x</sub> annual trading program, the CAIR permit application, the CAIR permit, or an exemption under 326 IAC 24-1-3 and no provision of law shall be construed to limit the authority of the State of Indiana or the United States to terminate or limit the authorization.
- (f) A CAIR NO<sub>x</sub> allowance does not constitute a property right.
- (g) Upon recordation by the U.S. EPA under 326 IAC 24-1-8, 326 IAC 24-1-9, 326 IAC 24-1-10, or 326 IAC 24-1-12, every allocation, transfer, or deduction of a CAIR NO<sub>x</sub> allowance to or from a CAIR NO<sub>x</sub> source's compliance account is incorporated automatically in this CAIR permit.

G.4.2 Sulfur Dioxide Emission Requirements [326 IAC 24-2-4(c)] [40 CFR 97.206(c)]

- (a) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit at the source shall hold, in the source's compliance account, a tonnage equivalent of CAIR SO<sub>2</sub> allowances available for compliance deductions for the control period under 326 IAC 24-2-8(j) and 326 IAC 24-2-8(k) not less than the tons of total sulfur dioxide emissions for the control period from all CAIR SO<sub>2</sub> units at the source, as determined in accordance with 326 IAC 24-2-10.
- (b) A CAIR SO<sub>2</sub> unit shall be subject to the requirements under 326 IAC 24-2-4(c)(1) for the control period starting on the applicable date, as determined under 326 IAC 24-2-4(c)(2), and for each control period thereafter.
- (c) A CAIR SO<sub>2</sub> allowance shall not be deducted for compliance with the requirements under 326 IAC 24-2-4(c)(1), for a control period in a calendar year before the year for which the CAIR SO<sub>2</sub> allowance was allocated.
- (d) CAIR SO<sub>2</sub> allowances shall be held in, deducted from, or transferred into or among CAIR SO<sub>2</sub> allowance tracking system accounts in accordance with 326 IAC 24-2-8, 326 IAC 24-2-9, and 326 IAC 24-2-11.
- (e) A CAIR SO<sub>2</sub> allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO<sub>2</sub> trading program. No provision of the CAIR SO<sub>2</sub> trading program, the CAIR permit application, the CAIR permit, or an exemption under 326 IAC 24-2-3 and no provision of law shall be construed to limit the authority of the State of Indiana or the United States to terminate or limit the authorization.
- (f) A CAIR SO<sub>2</sub> allowance does not constitute a property right.
- (g) Upon recordation by the U.S. EPA under 326 IAC 24-2-8, 326 IAC 24-2-9, or 326 IAC 24-2-11, every allocation, transfer, or deduction of a CAIR SO<sub>2</sub> allowance to or from a CAIR SO<sub>2</sub> source's compliance account is incorporated automatically in this CAIR permit.

G.4.3 Nitrogen Oxides Ozone Season Emission Requirements [326 IAC 24-3-4(c)] [40 CFR 97.306(c)]

- (a) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO<sub>x</sub> ozone season source and each CAIR NO<sub>x</sub> ozone season unit at the source shall hold, in the source's compliance account, CAIR NO<sub>x</sub> ozone season allowances available for compliance deductions for the control period under 326 IAC 24-3-9(i) in an amount not less than the tons of total nitrogen oxides emissions for the control period from all CAIR NO<sub>x</sub> ozone season units at the source, as determined in accordance with 326 IAC 24-3-11.
- (b) A CAIR NO<sub>x</sub> ozone season unit shall be subject to the requirements under 326 IAC 24-3-4(c)(1) for the control period starting on the applicable date, as determined under 326 IAC 24-3-4(c)(2), and for each control period thereafter.
- (c) A CAIR NO<sub>x</sub> ozone season allowance shall not be deducted for compliance with the requirements under 326 IAC 24-3-4(c)(1), for a control period in a calendar year before the year for which the CAIR NO<sub>x</sub> ozone season allowance was allocated.
- (d) CAIR NO<sub>x</sub> ozone season allowances shall be held in, deducted from, or transferred into or among CAIR NO<sub>x</sub> ozone season allowance tracking system accounts in accordance with 326 IAC 24-3-9, 326 IAC 24-3-10, and 326 IAC 24-3-12.

- (e) A CAIR NO<sub>x</sub> ozone season allowance is a limited authorization to emit one (1) ton of nitrogen oxides in accordance with the CAIR NO<sub>x</sub> ozone season trading program. No provision of the CAIR NO<sub>x</sub> ozone season trading program, the CAIR permit application, the CAIR permit, or an exemption under 326 IAC 24-3-3 and no provision of law shall be construed to limit the authority of the State of Indiana or the United States to terminate or limit the authorization.
- (f) A CAIR NO<sub>x</sub> ozone season allowance does not constitute a property right.
- (g) Upon recordation by the U.S. EPA under 326 IAC 24-3-8, 326 IAC 24-3-9, 326 IAC 24-3-10, or 326 IAC 24-3-12, every allocation, transfer, or deduction of a CAIR NO<sub>x</sub> ozone season allowance to or from a CAIR NO<sub>x</sub> ozone season source's compliance account is incorporated automatically in this CAIR permit.

G.5 Excess Emissions Requirements [326 IAC 24-1-4(d)] [326 IAC 24-2-4(d)] [326 IAC 24-3-4(d)]  
[40 CFR 97.106(d)] [40 CFR 97.206(d)] [40 CFR 97.306(d)]

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- (a) The owners and operators of a CAIR NO<sub>x</sub> source and each CAIR NO<sub>x</sub> unit that emits nitrogen oxides during any control period in excess of the CAIR NO<sub>x</sub> emissions limitation shall do the following:
  - (1) Surrender the CAIR NO<sub>x</sub> allowances required for deduction under 326 IAC 24-1-9(j)(4).
  - (2) Pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, the Clean Air Act (CAA) or applicable state law.

Each ton of such excess emissions and each day of such control period shall constitute a separate violation of 326 IAC 24-1-4, the Clean Air Act (CAA), and applicable state law.

- (b) The owners and operators of a CAIR SO<sub>2</sub> source and each CAIR SO<sub>2</sub> unit that emits sulfur dioxide during any control period in excess of the CAIR SO<sub>2</sub> emissions limitation shall do the following:
  - (1) Surrender the CAIR SO<sub>2</sub> allowances required for deduction under 326 IAC 24-2-8(k)(4).
  - (2) Pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, the Clean Air Act (CAA) or applicable state law.

Each ton of such excess emissions and each day of such control period shall constitute a separate violation of 326 IAC 24-2-4, the Clean Air Act (CAA), and applicable state law.

- (c) The owners and operators of a CAIR NO<sub>x</sub> ozone season source and each CAIR NO<sub>x</sub> ozone season unit that emits nitrogen oxides during any control period in excess of the CAIR NO<sub>x</sub> ozone season emissions limitation shall do the following:
  - (1) Surrender the CAIR NO<sub>x</sub> ozone season allowances required for deduction under 326 IAC 24-3-9(j)(4).
  - (2) Pay any fine, penalty, or assessment or comply with any other remedy imposed, for the same violations, the Clean Air Act (CAA) or applicable state law.

Each ton of such excess emissions and each day of such control period shall constitute a separate violation of 326 IAC 24-3-4, the Clean Air Act (CAA), and applicable state law.

G.6 Record Keeping Requirements [326 IAC 24-1-4(e)] [326 IAC 24-2-4(e)] [326 IAC 24-3-4(e)]  
[326 IAC 2-7-5(3)] [40 CFR 97.106(e)] [40 CFR 97.206(e)] [40 CFR 97.306(e)]

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Unless otherwise provided, the owners and operators of the CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source and each CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit at the source shall keep on site at the source or at a central location within Indiana for those owners or operators with unattended sources, each of the following documents for a period of five (5) years from the date the document was created:

- (a) The certificate of representation under 326 IAC 24-1-6(h), 326 IAC 24-2-6(h), and 326 IAC 24-3-6(h) for the CAIR designated representative for the source and each CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation. The certificate and documents shall be retained on site at the source or at a central location within Indiana for those owners or operators with unattended sources beyond such five (5) year period until such documents are superseded because of the submission of a new account certificate of representation under 326 IAC 24-1-6(h), 326 IAC 24-2-6(h), and 326 IAC 24-3-6(h) changing the CAIR designated representative.
- (b) All emissions monitoring information, in accordance with 326 IAC 24-1-11, 326 IAC 24-2-10, and 326 IAC 24-3-11, provided that to the extent that 326 IAC 24-1-11, 326 IAC 24-2-10, and 326 IAC 24-3-11 provides for a three (3) year period for record keeping, the three (3) year period shall apply.
- (c) Copies of all reports, compliance certifications, and other submissions and all records made or required under the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program.
- (d) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program or to demonstrate compliance with the requirements of the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program.

This period may be extended for cause, at any time before the end of five (5) years, in writing by IDEM, OAQ or the U.S. EPA. Unless otherwise provided, all records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

G.7 Reporting Requirements [326 IAC 24-1-4(e)] [326 IAC 24-2-4(e)] [326 IAC 24-3-4(e)]  
[40 CFR 97.106(e)] [40 CFR 97.206(e)] [40 CFR 97.306(e)]

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- (a) The CAIR designated representative of the CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source and each CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit at the source shall submit the reports required under the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program, including those under 326 IAC 24-1-11, 326 IAC 24-2-10, and 326 IAC 24-3-11.

(b) Pursuant to 326 IAC 24-1-4(e), 326 IAC 24-2-4(e), and 326 IAC 24-3-4(e) and 326 IAC 24-1-6(e)(1), 326 IAC 24-2-6(e)(1), and 326 IAC 24-3-6(e)(1), each submission under the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program shall include the following certification statement by the CAIR designated representative: "I am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(c) Where 326 IAC 24-1, 326 IAC 24-2, and 326 IAC 24-3 requires a submission to IDEM, OAQ, the information shall be submitted to:

Indiana Department of Environmental Management  
Compliance and Enforcement Branch, Office of Air Quality  
100 North Senate Avenue  
MC 61-53, IGCN 1003  
Indianapolis, Indiana 46204-2251

(d) Where 326 IAC 24-1, 326 IAC 24-2, and 326 IAC 24-3 requires a submission to U.S. EPA, the information shall be submitted to:

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

G.8 Liability [326 IAC 24-1-4(f)] [326 IAC 24-2-4(f)] [326 IAC 24-3-4(f)] [40 CFR 97.106(f)]  
[40 CFR 97.206(f)] [40 CFR 97.306(f)]

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The owners and operators of each CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source and each CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit shall be liable as follows:

- (a) Each CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source and each CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit shall meet the requirements of the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program, respectively.
- (b) Any provision of the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program that applies to a CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source or the CAIR designated representative of a CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source shall also apply to the owners and operators of such source and of the CAIR NO<sub>x</sub> units, CAIR SO<sub>2</sub> units, and CAIR NO<sub>x</sub> ozone season units at the source.
- (c) Any provision of the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program that applies to a CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit or the CAIR designated representative of a CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit shall also apply to the owners and operators of such units.

G.9 Effect on Other Authorities [326 IAC 24-1-4(g)] [326 IAC 24-2-4(g)] [326 IAC 24-3-4(g)]  
[40 CFR 97.106(g)] [40 CFR 97.206(g)] [40 CFR 97.306(g)]

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No provision of the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program, a CAIR permit application, a CAIR permit, or an exemption under 326 IAC 24-1-3, 326 IAC 24-2-3, and 326 IAC 24-3-3 shall be construed as exempting or excluding the owners and operators, and the CAIR designated representative, of a CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source or CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit from compliance with any other provision of the applicable, approved state implementation plan, a federally enforceable permit, or the Clean Air Act (CAA).

G.10 CAIR Designated Representative and Alternate CAIR Designated Representative [326 IAC 24-1-6] [326 IAC 24-2-6] [326 IAC 24-3-6] [40 CFR 97, Subpart BB] [40 CFR 97, Subpart BBB] [40 CFR 97, Subpart BBBB]

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Pursuant to 326 IAC 24-1-6, 326 IAC 24-2-6, and 326 IAC 24-3-6:

- (a) Except as specified in 326 IAC 24-1-6(f)(3), 326 IAC 24-2-6(f)(3), and 326 IAC 24-3-6(f)(3), each CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source, including all CAIR NO<sub>x</sub> units, CAIR SO<sub>2</sub> units, and CAIR NO<sub>x</sub> ozone season units at the source, shall have one (1) and only one (1) CAIR designated representative, with regard to all matters under the CAIR NO<sub>x</sub> annual trading program, CAIR SO<sub>2</sub> trading program, and CAIR NO<sub>x</sub> ozone season trading program concerning the source or any CAIR NO<sub>x</sub> unit, CAIR SO<sub>2</sub> unit, and CAIR NO<sub>x</sub> ozone season unit at the source.
- (b) The provisions of 326 IAC 24-1-6(f), 326 IAC 24-2-6(f), and 326 IAC 24-3-6(f) shall apply where the owners or operators of a CAIR NO<sub>x</sub> source, CAIR SO<sub>2</sub> source, and CAIR NO<sub>x</sub> ozone season source choose to designate an alternate CAIR designated representative.

Except as specified in 326 IAC 24-1-6(f)(3), 326 IAC 24-2-6(f)(3), and 326 IAC 24-3-6(f)(3), whenever the term "CAIR designated representative" is used, the term shall be construed to include the CAIR designated representative or any alternate CAIR designated representative.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
OFFICE OF AIR QUALITY  
COMPLIANCE AND ENFORCEMENT BRANCH  
PART 70 OPERATING PERMIT  
CERTIFICATION**

Source Name: NIPSCO - Bailly Generating Station  
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304  
Part 70 Permit No.: T127-29738-00002

**This certification shall be included when submitting monitoring, testing reports/results or other documents as required by this permit.**

Please check what document is being certified:

- Annual Compliance Certification Letter
- Test Result (specify)
- Report (specify)
- Notification (specify)
- Affidavit (specify)
- Other (specify)

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Phone:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
OFFICE OF AIR QUALITY  
COMPLIANCE AND ENFORCEMENT BRANCH  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251  
Phone: (317) 233-0178  
Fax: (317) 233-6865**

**PART 70 OPERATING PERMIT  
EMERGENCY OCCURRENCE REPORT**

Source Name: NIPSCO - Bailly Generating Station  
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304  
Part 70 Permit No.: T127-29738-00002

**This form consists of 2 pages**

**Page 1 of 2**

<input type="checkbox"/> This is an emergency as defined in 326 IAC 2-7-1(12) <ul style="list-style-type: none"><li>• The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-0178, ask for Compliance Section); and</li><li>• The Permittee must submit notice in writing or by facsimile within two (2) working days (Facsimile Number: 317-233-6865), and follow the other requirements of 326 IAC 2-7-16.</li></ul>
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If any of the following are not applicable, mark N/A

Facility/Equipment/Operation:
Control Equipment:
Permit Condition or Operation Limitation in Permit:
Description of the Emergency:
Describe the cause of the Emergency:

If any of the following are not applicable, mark N/A

**Page 2 of 2**

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency?    Y    N
Type of Pollutants Emitted: TSP, PM-10, SO <sub>2</sub> , VOC, NO <sub>x</sub> , CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by: \_\_\_\_\_

Title / Position: \_\_\_\_\_

Date: \_\_\_\_\_

Phone: \_\_\_\_\_

## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT OFFICE OF AIR QUALITY COMPLIANCE AND ENFORCEMENT BRANCH

### Part 70 Quarterly Report

Source Name: NIPSCO - Bailly Generating Station  
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304  
Part 70 Permit No.: T127-29738-00002  
Facility: Auxiliary Boilers 1 and 2  
Parameter: Natural Gas Usage  
Limit: 285 million cubic feet of natural gas used per twelve (12) consecutive month period

QUARTER:

YEAR:

Month	Column 1	Column 2	Column 1 + Column 2
	Natural Gas Usage This Month (MMCF)	Natural Gas Usage Previous 11 Months (MMCF)	Total Natural Gas Usage for 12 Month Total (MMCF)
Month 1			
Month 2			
Month 3			

No deviation occurred in this quarter.

Deviation/s occurred in this quarter.  
Deviation has been reported on:

Submitted by: \_\_\_\_\_  
Title / Position: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Phone: \_\_\_\_\_

## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT OFFICE OF AIR QUALITY COMPLIANCE AND ENFORCEMENT BRANCH

### Part 70 Quarterly Report

Source Name: NIPSCO - Bailly Generating Station  
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304  
Part 70 Permit No.: T127-29738-00002  
Facility: Four (4) Duct Burners  
Parameter: Natural Gas Usage  
Limit: 782 million cubic feet of natural gas used per twelve (12) consecutive month period

QUARTER:

YEAR:

Month	Column 1	Column 2	Column 1 + Column 2
	Natural Gas Usage This Month (MMCF)	Natural Gas Usage Previous 11 Months (MMCF)	Total Natural Gas Usage for 12 Month Total (MMCF)
Month 1			
Month 2			
Month 3			

- No deviation occurred in this quarter.
- Deviation/s occurred in this quarter.  
Deviation has been reported on:

Submitted by: \_\_\_\_\_  
Title / Position: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_  
Phone: \_\_\_\_\_

## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT OFFICE OF AIR QUALITY COMPLIANCE AND ENFORCEMENT BRANCH PART 70 OPERATING PERMIT QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT

Source Name: NIPSCO - Bailly Generating Station  
 Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304  
 Part 70 Permit No.: T127-29738-00002

Months: \_\_\_\_\_ to \_\_\_\_\_ Year: \_\_\_\_\_

Page 1 of 2

This report shall be submitted quarterly based on a calendar year. Proper notice submittal under Section B –Emergency Provisions satisfies the reporting requirements of paragraph (a) of Section C- General Reporting. Any deviation from the requirements of this permit, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. A deviation required to be reported pursuant to an applicable requirement that exists independent of the permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".	
<input type="checkbox"/> NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.	
<input type="checkbox"/> THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD	
<b>Permit Requirement</b> (specify permit condition #)	
<b>Date of Deviation:</b>	<b>Duration of Deviation:</b>
<b>Number of Deviations:</b>	
<b>Probable Cause of Deviation:</b>	
<b>Response Steps Taken:</b>	
<b>Permit Requirement</b> (specify permit condition #)	
<b>Date of Deviation:</b>	<b>Duration of Deviation:</b>
<b>Number of Deviations:</b>	
<b>Probable Cause of Deviation:</b>	
<b>Response Steps Taken:</b>	

<b>Permit Requirement</b> (specify permit condition #)	
<b>Date of Deviation:</b>	<b>Duration of Deviation:</b>
<b>Number of Deviations:</b>	
<b>Probable Cause of Deviation:</b>	
<b>Response Steps Taken:</b>	
<b>Permit Requirement</b> (specify permit condition #)	
<b>Date of Deviation:</b>	<b>Duration of Deviation:</b>
<b>Number of Deviations:</b>	
<b>Probable Cause of Deviation:</b>	
<b>Response Steps Taken:</b>	
<b>Permit Requirement</b> (specify permit condition #)	
<b>Date of Deviation:</b>	<b>Duration of Deviation:</b>
<b>Number of Deviations:</b>	
<b>Probable Cause of Deviation:</b>	
<b>Response Steps Taken:</b>	

Form Completed by: \_\_\_\_\_

Title / Position: \_\_\_\_\_

Date: \_\_\_\_\_

Phone: \_\_\_\_\_

**ATTACHMENT A**

Pursuant to Section F.1 of this permit, the follow paragraphs and tables of the Decree are incorporated by reference into this permit to the extent they relate to the Bailly Station.

Decree Paragraphs and Tables

**DEFINITIONS:**

All definitions contained with paragraphs 7 through 59 of the Decree, to the extent such terms are used in any of the paragraphs of the Decree listed in this Attachment A.

**¶ NO<sub>x</sub> EMISSION REDUCTIONS AND CONTROLS:**

¶¶ 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73 and 74.  
Tables 1, 2, 3 and 4.

**SO<sub>2</sub> EMISSION REDUCTIONS AND CONTROLS:**

¶¶ 76, 78, 79, 81, 82, 83, 84, 85, 86, 87, 88 and 89.  
Tables 5 and 6.

**PM EMISSION REDUCTIONS AND CONTROLS:**

¶¶ 91, 92, 93 and 94.  
Table 7.

**PERIODIC REPORTING**

¶¶ 126 and 127(a).

**FORCE MAJEURE:**

¶¶ 144, 145, 146, 147, 148, 149, 150, 151 and 152.

**NOTICE**

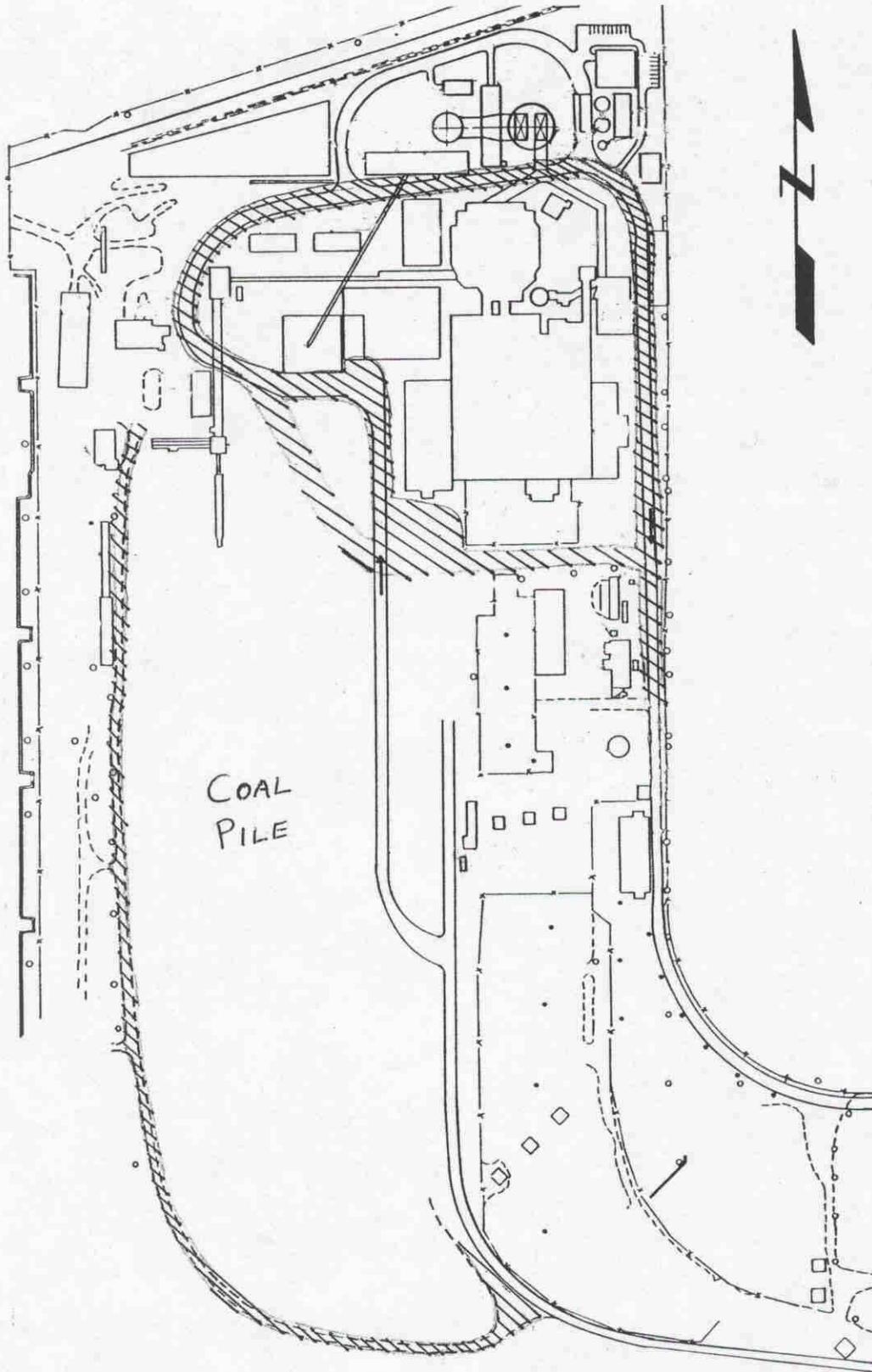
¶¶ 178, 179 and 180.

**COMPLIANCE DETERMINATION:**

¶¶ 196, 200, 201 and 202.

**ATTACHMENT B**

*[PDF COPY OF ENTIRE CONSENT DECREE – FOR INFORMATIONAL PURPOSES – HAS BEEN ATTACHED TO THE PERMIT]*



 = roadways to be watered

Road Watering Map for Fugitive Dust Control Plan



# 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](http://www.idem.IN.gov)

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

**NIPSCO - Bailly Generating Station  
246 Bailly Station Road  
Chesterton, Indiana, 46304**

**ORIS: 0995**

The owners and operators (hereinafter collectively known as the Permittee) of the above source are issued this permit under the provisions of 326 Indiana Administrative Code (IAC) 21 [326 IAC 21] with conditions listed on the attached pages.

Operation Permit No.: AR 127-30126-00002	
Issued by:	Issuance Date: May 27, 2011
Tripurari P. Sinha, Ph. D., Section Chief Permits Branch Office of Air Quality	Expiration Date: May 27, 2016

## Title IV Operating Conditions

### Title IV Source Description:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1,638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NOX) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3,374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was also authorized to install up to four (4) natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NOX) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

(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 Unit 7 and Unit 8 in compliance with this permit.

### 3. Monitoring Requirements [326 IAC 21]

- (a) The Permittee and, to the extent applicable, the designated representative of Unit 7 and Unit 8 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 Unit 7 and Unit 8 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 Unit 7 and Unit 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 Unit 7 and Unit 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 Unit 7 and Unit 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) Unit 7 and Unit 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) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the acid rain permit application, the acid rain permit, the acid rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (g) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.
- (h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement.  
[326 IAC 2-7-5(4)(A)]
- (i) No limit shall be placed on the number of allowances held by the Permittee. The Permittee may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program.  
[326 IAC 2-7-5(4)(B)]

5. Nitrogen Oxides Requirements [326 IAC 21]

---

- (a) The Permittee shall comply with the applicable acid rain emissions limitation of nitrogen oxides (NO<sub>x</sub>) for Unit 7 and Unit 8.
- (b) NO<sub>x</sub> Emission Averaging Plan for Unit 7:
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO<sub>x</sub> emission averaging plan for Unit 7, effective through and including 2016. Under the plan, the NO<sub>x</sub> emissions from Unit 7 shall not exceed the annual Alternative Contemporaneous Emission Limitation (ACEL) of 1.2 lb/MMBtu for the calendar year except as provided in Condition 5(b)(2). In addition, Unit 7 shall not have an annual heat input greater than 14,500,000 MMBtu for the calendar year except as provided in Condition 5(b)(2).
  - (2) Under the plan, the actual Btu-weighted annual average NO<sub>x</sub> emission rate for all the units in the plan shall be less than or equal to the Btu-weighted annual average NO<sub>x</sub> 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) is met for a calendar year under the plan, then Unit 7 shall be deemed to be in compliance for that calendar year with its annual ACEL and annual heat input limit.
- (c) NO<sub>x</sub> Emission Averaging Plan for Unit 8:
- (1) Pursuant to 40 CFR 76.11, the Indiana Department of Environmental Management, Office of Air Quality approves a NO<sub>x</sub> emission averaging plan for Unit 8, effective through and including 2016. Under the plan, the NO<sub>x</sub> emissions from Unit 8 shall not exceed the annual Alternative Contemporaneous Emission Limitation (ACEL) of 1.2 lb/MMBtu for the calendar year except as provided in Condition 5(c)(2). In addition, Unit 8 shall not have an annual heat input greater than 24,500,000 MMBtu for the calendar year except as provided in Condition 5(c)(2).
  - (2) Under the plan, the actual Btu-weighted annual average NO<sub>x</sub> emission rate for all the units in the plan shall be less than or equal to the Btu-weighted annual average NO<sub>x</sub> 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) is met for a calendar year under the plan, then Unit 8 shall be deemed to be in compliance for that calendar year with its annual ACEL and annual heat input limit.
- (d) The Permittee must annually demonstrate that Unit 7 and Unit 8 meet the NO<sub>x</sub> emission limits described in paragraphs (b) and (c) of this section, based upon the data from certified continuous emission monitoring systems (CEMS) located in the common stack. CEMS certification must be performed in accordance with the requirements and specifications delineated at 40 CFR 75.17.
- (e) In addition to the described NO<sub>x</sub> compliance plan, Unit 7 and Unit 8 shall comply with all other applicable requirements of 40 CFR 76, including the duty to reapply for a NO<sub>x</sub> compliance plan and requirements covering excess emissions.

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

(a) If Unit 7 or Unit 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, Indiana 46204-2251

and

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

(c) If Unit 7 or Unit 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 Unit 7 and Unit 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 Unit 7 and Unit 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 Unit 7 and Unit 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, Indiana 46204-2251

and

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

- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statements which shall be included verbatim in the submission:
  - (1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made."; and,
  - (2) "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (e) The designated representative of Unit 7 and Unit 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 Unit 7 or Unit 8.
- (f) The designated representative of Unit 7 and Unit 8 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) Unit 7 and Unit 8 shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to Unit 7 and Unit 8, including a provision applicable to the designated representative of Unit 7 and Unit 8 shall also apply to the Permittee.
- (f) Any provision of the Acid Rain Program that applies to Unit 7 or Unit 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 (NO<sub>x</sub> 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 Unit 7 and Unit 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 Unit 7 and Unit 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.

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF INDIANA**

---

**UNITED STATES OF AMERICA,** )  
 )  
 **and** )  
 )  
 **THE STATE OF INDIANA,** )  
 )  
 **Plaintiffs** )  
 )  
 **v.** )  
 )  
 **NORTHERN INDIANA PUBLIC** )  
 **SERVICE CO.,** )  
 )  
 **Defendant.** )

---

Civil Action No. \_\_\_\_\_

**CONSENT DECREE**

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Appendix A: Environmental Mitigation Projects	

WHEREAS, Plaintiff, the United States of America (“the United States”), on behalf of the United States Environmental Protection Agency (“EPA”), and Plaintiff, the State of Indiana, are filing with this Consent Decree a Complaint for injunctive relief and civil penalties pursuant to Sections 113(b)(2) and 167 of the Clean Air Act (“the Act”), 42 U.S.C. §§ 7413(b)(2) and 7477, and 326 Indiana Administrative Code sections 2-2 and 2-7, alleging that Defendant, Northern Indiana Public Service Co. (“NIPSCO”), has undertaken construction projects at major emitting facilities in violation of the Prevention of Significant Deterioration (“PSD”) provisions of Part C of Subchapter I of the Act, 42 U.S.C. §§ 7470-7492, in violation of Nonattainment New Source Review requirements, 42 U.S.C. §§ 7501-7515, in violation of the requirements of Title V of the Act, 42 U.S.C. §§ 7661-7661f and in violation of the federally enforceable Indiana State Implementation Plan (“SIP”);

WHEREAS, EPA issued a Notice of Violation (the “NOV”) to NIPSCO on September 29, 2004, pursuant to Section 113(a) of the Act, 42 U.S.C. § 7413(a), alleging violations at the Michigan City, Rollin M. Schahfer, and Bailly Generating Stations of:

- (a) the PSD provisions in Part C of Subchapter I of the Act, 42 U.S.C. §§ 7470-92,
- (b) the Nonattainment New Source Review requirements in Part D of Subchapter I of the Act, 42 U.S.C. §§ 7501-7515,
- (c) Subchapter V of the Act, 42 U.S.C. §§ 7661-7661f, and
- (d) the federally enforceable Indiana SIP, including provisions implementing 40 C.F.R. § 52.21, and approved by EPA;

WHEREAS, EPA provided NIPSCO and the State of Indiana actual notice of the alleged violations and commencement of the action, in accordance with Section 113 of the Act, 42 U.S.C. § 7413;

WHEREAS, NIPSCO has been the owner and operator of the Michigan City, Rollin M. Schahfer, and Bailly Generating Stations from 1985 to the present;

WHEREAS, in the Complaint, Plaintiffs United States and the State of Indiana (collectively “Plaintiffs”) allege, inter alia, that NIPSCO modified units and failed to obtain the necessary permits and install the controls necessary under the Act to reduce sulfur dioxide, nitrogen oxides, and/or particulate matter emissions, and that such emissions can damage human health and the environment;

WHEREAS, Plaintiffs’ Complaint states claims upon which, if proven, relief can be granted against NIPSCO under Sections 113 and 167 of the Act, 42 U.S.C. §§ 7413 and 7477, and 28 U.S.C. § 1355;

WHEREAS, NIPSCO has denied and continues to deny the violations alleged in the Complaint and the NOV, and maintains that it has been and remains in compliance with the Act, federal implementing regulations and Indiana air regulations and statutes, including the Indiana SIP, and that it is not liable for civil penalties, injunctive or other relief;

WHEREAS, the Plaintiffs and the Defendant (collectively “the Parties,” and each, individually, a Party) anticipate that the installation and operation of pollution control equipment pursuant to this Consent Decree will achieve significant reductions of sulfur dioxide (“SO<sub>2</sub>”), nitrogen oxides (“NO<sub>x</sub>”), and particulate matter (“PM”) emissions and improve air quality; and

WHEREAS, the Parties have agreed, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated in good faith and at arms’ length; that this settlement is fair, reasonable, in the best interest of the Parties and the public, and is consistent with the goals of the Act and the Indiana SIP; and that entry of this Consent Decree without further litigation is the most appropriate means of resolving this matter;

WHEREAS, the Defendant has asserted that its Bailly Generating Station Units 7 and 8, Michigan City Generating Station Unit 12, and Schahfer Generating Station Unit 14, are cyclone-fired units, with cycling demand for electric generation and inherently high NOx baseline emissions, equipped with SCR (as hereinafter defined) systems with ammonia on demand (“AOD”) systems.

NOW, THEREFORE, without any admission by the Defendant, and without adjudication of or admission with respect to the violations alleged in the Complaint or the NOV, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

**I. JURISDICTION AND VENUE**

1) This Court has jurisdiction over this action, the subject matter herein, and the Parties consenting hereto, pursuant to 28 U.S.C. §§ 1331, 1345, 1355, and 1367, and Sections 113 and 167 of the Act, 42 U.S.C. §§ 7413 and 7477. Venue is proper under Section 113(b) of the Act, 42 U.S.C. § 7413(b), and under 28 U.S.C. §§ 1391(b) and (c).

2) Solely for the purposes of this Consent Decree and the underlying Complaint, Defendant waives all objections and defenses that it may have to the Court’s jurisdiction over Defendant and to venue in this District. Defendant shall not challenge the terms of this Consent Decree or this Court’s jurisdiction to enter and enforce this Consent Decree and agrees that the Complaint states claims upon which, if such claims were proven, relief may be granted pursuant to Section 113 of the Act, 42 U.S.C. § 7413(b).

3) Solely for purposes of the Complaint filed by Plaintiffs in this matter and this Consent Decree, for purposes of entry and enforcement of this Consent Decree, Defendant waives any defense or objection based on standing. Except as expressly provided for herein, this Consent Decree shall not create any rights in any party other than

Plaintiffs and Defendant. Except as provided in Section XXVIII (Public Comment) of this Consent Decree, the Parties consent to entry of this Consent Decree without further notice.

4) Notwithstanding the foregoing, should this Consent Decree not be entered by this Court, then the waivers and consents set forth in this Section I (Jurisdiction and Venue) shall be null and void and of no effect.

## **II. APPLICABILITY**

5) Upon entry, the provisions of this Consent Decree shall apply to and be binding upon the Plaintiffs, the United States, including EPA, and the State of Indiana, including the Indiana Department of Environmental Management, and upon NIPSCO, its successors and assigns, and its officers, employees and agents, solely in their capacities as such.

6) NIPSCO shall be responsible for providing a copy of this Consent Decree to all vendors, suppliers, consultants, contractors, agents, and any other companies or organizations retained after entry of this Consent Decree to perform any of the work required by this Consent Decree. Notwithstanding any retention of contractors, subcontractors, or agents to perform any work required under this Consent Decree, NIPSCO shall be responsible for ensuring that all work is performed in accordance with the requirements of this Consent Decree. In any action to enforce this Consent Decree, NIPSCO shall not assert as a defense the failure of its officers, directors, employees, servants, agents, or contractors to take actions necessary to comply with this Consent Decree, unless NIPSCO establishes that such failure resulted from a Force Majeure Event, as defined in Section XVI (Force Majeure) of this Consent Decree.

### **III. DEFINITIONS**

7) A “365-Day Rolling Average Emission Rate” for a Cyclone-fired Unit, other than the Bailly Units, shall be expressed as lb/mmBTU and calculated in accordance with the following procedure: first, sum the total pounds of NO<sub>x</sub> emitted from the Cyclone-fired Unit during an Operating Day and the previous three hundred and sixty-four (364) Operating Days, with such emissions being determined from data derived from CEMS installed and operated at the Unit; second, sum the total heat input to the Cyclone-fired Unit in mmBTU during the Operating Day and the previous three hundred and sixty-four (364) Operating Days; and third, divide the total number of pounds of NO<sub>x</sub> emitted during those three hundred and sixty-five (365) Operating Days by the total heat input during those three hundred and sixty-five (365) Operating Days. For Bailly Units 7 and 8, which share common stacks, the “365-Day Rolling Average Emission Rate” shall be expressed as lb/mmBTU and calculated in accordance with the procedure enumerated above in this Paragraph for other Cyclone-fired Units, except that the total pounds of NO<sub>x</sub> emitted and the total heat input used to calculate the 365-Day Rolling Average Emission Rate shall be calculated by using the combined total pounds of NO<sub>x</sub> emitted from Bailly Units 7 and 8 and the combined total heat input to Bailly Units 7 and 8. A new 365-Day Rolling Average Emission Rate shall be calculated for each new Operating Day. When a 365-Day Rolling Average Emission Rate includes Operating Days to which two different 365-Day Rolling Average Emission Rates apply, the less stringent 365-Day Rolling Average Emission Rate shall apply until such time as all Operating Days within the 365-day rolling average period fall within the more stringent specified 365-Day Rolling Average Emission Rate (e.g., if the specified 365-

Day Rolling Average Emission Rate for a Cyclone-fired Unit on December 31, 2009 is 0.140 lb/mmBTU and the specified 365-Day Rolling Average Emission Rate for that same Cyclone-fired Unit on December 31, 2010 becomes 0.120 lb/mmBTU, the less stringent December 31, 2009 specified rate would be the applicable 365-Day Rolling Average Emission Rate to determine on June 1, 2011 the Cyclone-fired Unit's compliance because the 365-Day Rolling Average Emission Rate determined on June 1, 2011 would include Operating Days prior to December 31, 2010). Each 365-Day Rolling Average Emission Rate shall include all emissions that occur during all periods of startup, shutdown and Malfunction within an Operating Day, except that emissions associated with a Malfunction that is determined to be a Force Majeure Event pursuant to Section XVI of this Consent Decree shall be excluded from the calculation of a 365-Day Rolling Average Emission Rate.

8) A "30-Day Rolling Average Emission Rate" for a Unit, other than the Bailly Units, shall be expressed as lb/mmBTU and calculated in accordance with the following procedure: first, sum the total pounds of the pollutant in question emitted from the Unit during an Operating Day and the previous twenty-nine (29) Operating Days, with such emissions being determined from data derived from CEMS installed and operated at the Unit; second, sum the total heat input to the Unit in mmBTU during the Operating Day and the previous twenty-nine (29) Operating Days; and third, divide the total number of pounds of the pollutant emitted during the thirty (30) Operating Days by the total heat input during the thirty (30) Operating Days. For Bailly Units 7 and 8, which share common stacks, the "30-Day Rolling Average Emission Rate" shall be expressed as lb/mmBTU and calculated in accordance with the procedure enumerated

above in this Paragraph for other Units, except that the total pounds of NOx emitted and the total heat input used to calculate the 30-Day Rolling Average Emission Rate shall be calculated by using the combined total pounds of NOx emitted from Bailly Units 7 and 8 and the combined total heat input to Bailly Units 7 and 8. A new 30-Day Rolling Average Emission Rate shall be calculated for each new Operating Day. When a 30-Day Rolling Average Emission Rate includes Operating Days that fall within two different specified 30-Day Rolling Average Emission Rates, the less stringent 30-Day Rolling Average Emission Rate shall apply until such time as all Operating Days within the 30-day rolling average period fall within the more stringent specified 30-Day Rolling Average Emission Rate (e.g., if the specified 30-Day Rolling Average Emission Rate for a Unit on December 1, 2010 is 0.170 lb/mmBTU and the specified 30-Day Rolling Average Emission Rate for that same Unit on January 1, 2011 becomes 0.150 lb/mmBTU, the less stringent December 1, 2010 specified rate would be the applicable 30-Day Rolling Average Emission Rate to determine on January 15, 2011 the Unit's compliance because the 30-Day Rolling Average Emission Rate determined on January 15, 2011 would include Operating Days prior to January 1, 2011). Each 30-Day Rolling Average Emission Rate shall include all emissions that occur during all periods of startup, shutdown and Malfunction within an Operating Day, except that emissions associated with a Malfunction that is determined to be a Force Majeure Event pursuant to Section XVI of this Consent Decree shall be excluded from the calculation of a 30-Day Rolling Average Emission Rate.

9) A "30-Day Rolling Average Removal Efficiency" means the percent reduction in the emissions of a pollutant achieved by a Unit's pollution control device

over a 30-Operating Day period. This percentage shall be calculated by subtracting the Unit's outlet 30-Day Rolling Average Emission Rate from the Unit's inlet 30-Day Rolling Average Emission Rate, with such rates being determined from data derived from CEMS installed and operated at the Unit, dividing the result by the 30-Day Rolling Average Emission Rate from the Unit's inlet and then multiplying that result by 100. A new 30-Day Rolling Average Removal Efficiency shall be calculated for each new Operating Day. 30-Day Rolling Average Emission Rates used in the calculation of 30-Day Rolling Average Removal Efficiencies pursuant to this Paragraph shall include all emissions that occur during all periods of startup, shutdown and Malfunction within an Operating Day, except that emissions associated with a Malfunction that is determined to be a Force Majeure Event pursuant to Section XVI of this Consent Decree shall be excluded from the calculation of a 30-Day Rolling Average Emission Rate.

10) "Annual System Tonnage Limitation" means the limitation on the number of tons of the pollutant in question that may be emitted from the NIPSCO System during the relevant calendar year (i.e., January 1 through December 31), and shall include all emissions of the pollutant emitted during periods of startup, shutdown and Malfunction.

11) "Boiler Island" means a Unit's: (a) fuel combustion system (including bunker, coal pulverizers, crusher, stoker, and fuel burners); (b) combustion air system; (c) steam generating system (i.e., firebox, boiler tubes and walls); and (d) draft system (excluding the stack), as further described in "Interpretation of Reconstruction," John B. Rasnick, U.S. EPA (November 25, 1986), and the attachments thereto.

12) "Calendar Month" means all of the Operating Days in one calendar month period.

13) “Capital Expenditures” means all capital expenditures, as defined by Generally Accepted Accounting Principles (“GAAP”), as those principles exist at the Date of Entry of this Consent Decree, excluding the cost of installing or upgrading pollution control devices.

14) “CEMS” and “Continuous Emission Monitoring System” mean, for obligations involving NO<sub>x</sub> and SO<sub>2</sub> under this Consent Decree, the devices defined in 40 C.F.R. § 72.2 and installed and maintained as required by 40 C.F.R. Part 75.

15) “Clean Air Act” and “the Act” mean the federal Clean Air Act, 42 U.S.C. §§ 7401-7671q, and its implementing regulations.

16) “Consent Decree” and “Decree” mean this Consent Decree, including Appendix A which is hereto incorporated into this Consent Decree.

17) “Continuous Operation” and “Continuously Operate” mean, for obligations involving NO<sub>x</sub>, PM, and SO<sub>2</sub> under this Consent Decree, the operation of any specified NO<sub>x</sub>, PM or SO<sub>2</sub> control technology equipment at all times that the Unit it serves is in operation, except during a Malfunction of the control technology equipment, consistent with technological limitations, manufacturers’ specifications, and good air pollution control practices for minimizing emissions (as defined in 40 C.F.R. § 60.11(d)).

18) “Cyclone-fired Unit” means those Units in the NIPSCO System that operate cyclone-fired boilers for electric generation and have inherently high NO<sub>x</sub> baseline emissions. The following Units in the NIPSCO System are considered Cyclone-fired Units: Bailly Unit 7 and Unit 8, Michigan City Unit 12, and Schahfer Unit 14.

19) “Date of Entry” means the date this Consent Decree is signed or otherwise approved in writing by the District Court Judge for the United States District Court for the Northern District of Indiana.

20) “Date of Lodging” means the date this Consent Decree is filed for lodging with the Clerk of the Court for the United States District Court for the Northern District of Indiana.

21) “Defendant” means the Northern Indiana Public Service Co. (“NIPSCO”).

22) “Emission Rate” means the number of pounds of pollutant emitted per million British thermal units of heat input (“lb/mmBTU”), measured in accordance with this Consent Decree.

23) “EPA” means the United States Environmental Protection Agency.

24) “ESP” and “Electrostatic Precipitator” mean a device for removing particulate matter from combustion gases by imparting an electric charge to the particles and then attracting them to a metal plate or screen of opposite charge before the combustion gases are exhausted to the atmosphere.

25) “Flue Gas Desulfurization System” and “FGD” mean a pollution control device that employs flue gas desulfurization technology, including an absorber utilizing lime, fly ash, or limestone slurry, for the reduction of sulfur dioxide emissions.

26) “Fossil Fuel” means any hydrocarbon fuel, including coal, petroleum oil, and natural gas.

27) “Improved Unit” means, in the case of NO<sub>x</sub>, a NIPSCO System Unit that has an SCR or is scheduled under this Consent Decree to be equipped with an SCR (or an equivalent NO<sub>x</sub> control technology approved pursuant to Paragraph 65) or in the case of

SO<sub>2</sub>, a NIPSCO System Unit that has an FGD or is scheduled under this Consent Decree to be equipped with an FGD (or equivalent SO<sub>2</sub> control technology approved pursuant to Paragraph 80) in accordance with this Consent Decree. A Unit may be an Improved Unit for one pollutant without being an Improved Unit for the other. The following Units are, in accordance with the preceding sentences, Improved Units for purposes of this Consent Decree: Bailly Units 7 and 8 (NO<sub>x</sub> and SO<sub>2</sub>); Michigan City Unit 12 (NO<sub>x</sub> and SO<sub>2</sub>); Schahfer Unit 14 (NO<sub>x</sub> and SO<sub>2</sub>); Schahfer Unit 15 (SO<sub>2</sub>) and Schahfer Units 17 and 18 (SO<sub>2</sub>). Schahfer Unit 15 can become an Improved Unit for NO<sub>x</sub>, if NIPSCO elects NO<sub>x</sub> Option 1 as described in Table 1 and Paragraph 60 of this Consent Decree. Schahfer Unit 15 can also become an Improved Unit for NO<sub>x</sub> if NIPSCO elects NO<sub>x</sub> Option 2 as described in Table 1 and Paragraph 60 and Schahfer Unit 15 becomes, at NIPSCO's discretion, subject to a federally enforceable 0.080 lb/mmBTU NO<sub>x</sub> 30-Day Rolling Average Emission Rate, for which the rate and the requirement to Continuously Operate such SNCR is incorporated into a site-specific amendment to the SIP and modification to the Title V permit. Schahfer Units 17 and 18 can become an Improved Unit for NO<sub>x</sub> if either Unit is equipped with an SCR (or equivalent NO<sub>x</sub> control technology approved pursuant to Paragraph 65) and has become subject to a federally enforceable 0.080 lb/mmBTU NO<sub>x</sub> 30-Day Rolling Average Emission Rate, which rate, and the requirement to Continuously Operate such SCR, is incorporated into a site-specific amendment to the SIP and modification to the Title V permit.

28) "Indiana SIP" means the Indiana state implementation plan approved and enforceable by EPA under Section 110 of the Act.

29) “lb/mmBTU” means one pound of a pollutant per million British thermal units of heat input.

30) “Low Sulfur Coal” means coal that will achieve an uncontrolled SO<sub>2</sub> emission rate of less than 1.00 lb/mmBTU.

31) “Malfunction” means any sudden, infrequent, and not reasonably preventable failure of air pollution control equipment, process equipment, or a process to operate in a normal or usual manner. Failures that are caused in part by poor maintenance or careless operation are not Malfunctions.

32) “Monthly SO<sub>2</sub> Removal Efficiency” means the percent reduction in SO<sub>2</sub> emissions achieved by the FGD at Bailly Units 7 and 8 during a Calendar Month. This percentage shall be calculated in accordance with the following procedure: (a) first, sum the total pounds of SO<sub>2</sub> emitted during a Calendar Month from the outlet at the Bailly main stack (CS001) and the Bailly bypass stack; (b) second, divide that sum by the sum of the total pounds of SO<sub>2</sub> during that same Calendar Month that enter the Bailly FGD (as measured at the inlet to the FGD) and are emitted from Bailly bypass stack; (c) third, subtract that result from 1.0 or 100 percent (*i.e.*, if the resulting number is 0.10, subtract 0.10 from 1.0); and, (d) fourth, multiply that result by 100. The pounds of SO<sub>2</sub> emitted from the Bailly main stack (CS001), inlet to the FGD, and bypass stack shall be determined from data derived from SO<sub>2</sub> CEMS installed and operated at Bailly. Emissions associated with a Malfunction that is determined to be a Force Majeure Event pursuant to Section XVI of this Consent Decree shall be excluded from the calculation of a Monthly SO<sub>2</sub> Removal Efficiency.

33) “MW” means a megawatt or one million watts.

34) “National Ambient Air Quality Standards” and “NAAQS” mean the national ambient air quality standards that are promulgated pursuant to Section 109 of the Act, 42 U.S.C. § 7409.

35) “NIPSCO” means Northern Indiana Public Service Co.

36) “NIPSCO System” means the following coal-fired, electric steam-generating Units owned by NIPSCO and located in the State of Indiana, with estimated net demonstrated generating capacities for such Units listed in parentheses below:

- a. the Bailly Electric Generation Station (“Bailly”) in Porter County, IN, comprised of Unit 7 (160 MW) and Unit 8 (320 MW);
- b. the Michigan City Generating Station (“Michigan City”) in LaPorte County, IN, comprised of Unit 12 (469 MW);
- c. the Rollin M. Schahfer Electric Generating Station (“Schahfer”) in Jasper County, IN, comprised of Unit 14 (431 MW), Unit 15 (472 MW), Unit 17 (361 MW), and Unit 18 (361 MW); and
- d. the Dean H. Mitchell Electric Generating Station (“Mitchell”) in Lake County, IN, comprised of Unit 4 (110 MW), Unit 5 (125 MW), Unit 6 (126 MW), and Unit 11 (125 MW).

37) “Nonattainment New Source Review” and “Nonattainment NSR” mean the nonattainment area New Source Review (“NSR”) program within the meaning of Part D of Subchapter I of the Act, 42 U.S.C. §§ 7501-7515, and 40 C.F.R. Part 51, as well as any Nonattainment NSR provisions of the Indiana SIP.

38) “NO<sub>x</sub>” means oxides of nitrogen.

39) “NO<sub>x</sub> Allowance” means an authorization or credit to emit a specified amount of NO<sub>x</sub> that is allocated or issued under an emissions trading or marketable permit program of any kind that has been established under the Clean Air Act or the Indiana SIP.

40) “Over- Fired Air” and “OFA” mean an in-furnace staged combustion control to reduce NO<sub>x</sub> emissions.

41) “Operating Day” means any calendar day during which a Unit fires Fossil Fuel.

42) “Other Unit” means any Unit within the NIPSCO System that is not an Improved Unit for the pollutant in question. A Unit may be an Improved Unit for NO<sub>x</sub> and an Other Unit for SO<sub>2</sub>, and vice versa.

43) “Ownership Interest” means part or all of NIPSCO’s legal or equitable ownership interest in the NIPSCO System Units.

44) “Parties” means the United States, including the EPA and the United States Department of Justice, the State of Indiana, including the Indiana Attorney General and the Indiana Department of Environmental Management, and NIPSCO.

45) “Plaintiff(s)” means the United States, including the EPA and the United States Department of Justice, and the State of Indiana, including the Indiana Attorney General and the Indiana Department of Environmental Management (“IDEM”).

46) “PM Control Device” means any device, including an ESP or a fullstream baghouse, that reduces emissions of particulate matter (“PM”).

47) “PM” means particulate matter.

48) “PM Continuous Emission Monitoring System” and “PM CEMS” mean the equipment that samples, analyzes, measures, and provides, by readings taken at frequent intervals, an electronic or paper record of PM emissions.

49) “PM Emission Rate” means the number of pounds of PM emitted per million BTU of heat input (“lb/mmBTU”).

50) “Project Dollars” means NIPSCO’s expenditures and payments incurred or made in carrying out the Environmental Mitigation Projects identified in Section X (Environmental Mitigation Projects) of this Consent Decree to the extent that such expenditures or payments both: (a) comply with the requirements set forth in Section X (Environmental Mitigation Projects) and Appendix A of this Consent Decree; and (b) constitute NIPSCO’s direct payments for such projects, NIPSCO’s external costs for contractors, vendors, and equipment, or NIPSCO’s internal costs consisting of employee time, travel, or out-of-pocket expenses specifically attributable to these particular projects and documented in accordance with GAAP.

51) “PSD” means Prevention of Significant Deterioration program within the meaning of Part C of Subchapter I of the Clean Air Act, 42 U.S.C. §§ 7470-7492 and 40 C.F.R. Part 52, as well as any PSD provisions of the Indiana SIP.

52) “Retire” or “Retirement” means to permanently cease to operate, physically render inoperable, and relinquish all Clean Air Act permits for a Unit within the NIPSCO System.

53) “Selective Catalytic Reduction System” and “SCR” mean a pollution control device that employs selective catalytic reduction technology for the reduction of NO<sub>x</sub> emissions.

54) “Selective Non-Catalytic Reduction System” and “SNCR” mean a pollution control device that employs selective non-catalytic reduction technology for the reduction of NO<sub>x</sub> emissions.

55) “SO<sub>2</sub>” means sulfur dioxide.

56) “SO<sub>2</sub> Allowance” means “allowance” as defined at 42 U.S.C. § 7651a(3): “an authorization, allocated to an affected unit by the Administrator of EPA under Subchapter IV of the Act, to emit, during or after a specified calendar year, one ton of sulfur dioxide.”

57) “Surrender” means permanently surrendering NO<sub>x</sub> or SO<sub>2</sub> allowances so that such NO<sub>x</sub> or SO<sub>2</sub> allowances can never be used to meet any compliance requirement under the Clean Air Act, the Indiana SIP, or this Consent Decree.

58) “Title V Permit” means the permit required for NIPSCO’s major sources under Subchapter V of the Act, 42 U.S.C. §§ 7661-7661f.

59) “Unit” means, collectively, the coal pulverizer, stationary equipment that feeds coal to the boiler, the boiler that produces steam for the steam turbine, the steam turbine, the generator, equipment necessary to operate the generator, steam turbine and boiler, and all ancillary equipment, including pollution control equipment, at or serving a coal-fired steam electric generating unit. An electric steam generating station may comprise one or more Units.

#### **IV. NO<sub>x</sub> EMISSION REDUCTIONS AND CONTROLS**

##### **A. NO<sub>x</sub> Emission Controls**

60) Commencing for each Unit on the dates set forth in Table 1 below, NIPSCO shall Continuously Operate the NO<sub>x</sub> control technology at each Unit in the

NIPSCO System as stated in Table 1 and achieve and continuously maintain the 30-Day Rolling Average Emission Rates for NOx set forth in Table 1.

Table 1

Unit	Control Technology	30-Day Rolling Average Emission Rate (lb/mmBTU)	Date required to meet 30-Day Rolling Average Emission Rate
Bailly Units 7 and 8	Bailly Unit 7 SCR; Bailly Unit 8 SCR	0.180	March 31, 2011
Michigan City Unit 12	SCR	0.160	March 31, 2011
	NOx Option A: SCR	NOx Option A: 0.160	December 31, 2018
	NOx Option B: Retire	NOx Option B: N/A	
Schahfer Unit 14	SCR	0.160	March 31, 2011
Schahfer Unit 15	LNB/OFA	0.180	January 31, 2011
	NOx Option 1: SCR	NOx Option 1: 0.080	NOx Option 1: December 31, 2015
	NOx Option 2: SNCR	NOx Option 2: 0.150	NOx Option 2: December 31, 2012
Schahfer Unit 17	LNB/OFA	0.200	March 31, 2011
Schahfer Unit 18	LNB/OFA	0.200	March 31, 2011

61) By December 31, 2014, NIPSCO shall notify EPA of its decision to implement either NOx Option A or NOx Option B for Michigan City Unit 12 as described in Table 1.

62) By December 31, 2011, NIPSCO shall notify EPA of its decision to implement either NOx Option 1 or NOx Option 2 for Schahfer Unit 15 as described in Table 1.

63) Commencing for each Cyclone-fired Unit on the dates set forth in Table 2 below, NIPSCO shall Continuously Operate the NOx control technology at each Cyclone-fired Unit in the NIPSCO System as stated in Table 2 and achieve and continuously maintain the 365-Day Rolling Average Emission Rates for NOx set forth in Table 2.

Table 2

Unit	Control Technology	365-Day Rolling Average Emission Rate (lb/mmBTU)	Date required to meet 365-Day Rolling Average Emission Rate
Bailly Units 7 and 8	Bailly Unit 7 SCR; Bailly Unit 8 SCR	0.150	December 31, 2010
		0.130	December 31, 2013
		0.120	December 31, 2015
Michigan City Unit 12	SCR	0.140	December 31, 2010
		0.120	December 31, 2011
		0.100	December 31, 2013
Schahfer Unit 14	SCR	0.140	December 31, 2010
		0.120	December 31, 2012
		0.100	December 31, 2014

64) Beginning forty five (45) days from the Date of Entry of this Consent Decree, NIPSCO shall Continuously Operate low NOx burners (“LNB”) and/or OFA on the NIPSCO System Units according to Table 3 below.

Table 3

<u>NIPSCO System Unit</u>	<u>NOx Control Technology</u>
Bailly Unit 7	OFA
Bailly Unit 8	OFA
Michigan City Unit 12	OFA
Schahfer Unit 14	OFA
Schahfer Unit 15	LNB/OFA
Schahfer Unit 17	LNB/OFA

Schahfer Unit 18	LNB/OFA
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65) With prior written notice to the Plaintiffs and written approval from EPA (after consultation by EPA with the State of Indiana), NIPSCO may, in lieu of installing and operating SCR or SNCR technology at a Unit, install and operate at that Unit equivalent NO<sub>x</sub> control technology so long as such equivalent NO<sub>x</sub> control technology has been demonstrated to be capable of achieving and maintaining a 30-Day Rolling Average Rate for NO<sub>x</sub> of not more than 0.080 lb/mmBTU for that NIPSCO Unit. If NIPSCO elects to install and operate equivalent NO<sub>x</sub> control technology at a Unit, it must commence operation of the equivalent NO<sub>x</sub> control technology at that Unit by the date specified for SCR or SNCR installation in Table 1 or Table 2. Upon installation of such equivalent NO<sub>x</sub> control technology at a Unit as a means of complying with Table 1 or 2, NIPSCO shall Continuously Operate and achieve and maintain a 30-Day Rolling Average Emission Rate for NO<sub>x</sub> of not more than 0.080 lb/mmBTU at that Unit.

**B. General NO<sub>x</sub> Provision**

66) In determining Emission Rates for NO<sub>x</sub>, NIPSCO shall use CEMS in accordance with the procedures of 40 C.F.R. Part 75.

**C. Annual System Tonnage Limitation for NO<sub>x</sub>**

67) In addition to meeting the emission limits set forth in Tables 1 and 2, all Units in the NIPSCO System, collectively, shall not emit NO<sub>x</sub> in excess of the Annual System Tonnage Limitations calculated on a calendar-year basis set forth in Table 4.

Table 4:

<b>Applicable Calendar Year</b>	<b>Annual NIPSCO System Tonnage Limitation for NO<sub>x</sub></b>
2011	15,825 tons
2012	15,537 tons
2013	If NIPSCO selects NO <sub>x</sub> Option 1 in Table 1 (SCR on Schahfer Unit 15): 15,247 tons  If NIPSCO selects NO <sub>x</sub> Option 2 in Table 1 (SNCR on Schahfer Unit 15): 13,752 tons
2014	If NIPSCO selects NO <sub>x</sub> Option 1 in Table 1 (SCR on Schahfer Unit 15): 14,959 tons  If NIPSCO selects NO <sub>x</sub> Option 2 in Table 1 (SNCR on Schahfer Unit 15): 13,464 tons
2015	If NIPSCO selects NO <sub>x</sub> Option 1 in Table 1 (SCR on Schahfer Unit 15): 14,365 tons  If NIPSCO selects NO <sub>x</sub> Option 2 in Table 1 (SNCR on Schahfer Unit 15): 12,870
2016	If NIPSCO selects NO <sub>x</sub> Option 1 in Table 1 (SCR on Schahfer Unit 15): 11,704 tons  If NIPSCO selects NO <sub>x</sub> Option 2 in Table 1 (SNCR on Schahfer Unit 15): 12,870
2017	Same as 2016

2018	Same as 2016
2019 and every year thereafter	<p>If NIPSCO selects NO<sub>x</sub> Option 2 and NO<sub>x</sub> Option A in Table 1 (SNCR on Schahfer Unit 15 and SCR on Michigan City Unit 12): 12,870 tons</p> <p>If NIPSCO selects NO<sub>x</sub> Option 2 and NO<sub>x</sub> Option B in Table 1 (SNCR on Schahfer Unit 15 and Retirement of Michigan City Unit 12): 11,470</p> <p>If NIPSCO selects NO<sub>x</sub> Option 1 and NO<sub>x</sub> Option A in Table 1 (SCR on Schahfer Unit 15 and SCR on Michigan City Unit 12): 11,704 tons</p> <p>If NIPSCO selects NO<sub>x</sub> Option 1 and NO<sub>x</sub> Option B in Table 1 (SCR on Schahfer Unit 15 and Retirement of Michigan City Unit 12): 10,300 tons</p>

68) Except as may be necessary to comply with Section XV (Stipulated Penalties), NIPSCO may not use NO<sub>x</sub> Allowances to comply with any requirement of this Consent Decree, including by claiming compliance with any emission limitation required by this Decree by using, tendering, or otherwise applying NO<sub>x</sub> Allowances to offset any excess emissions (i.e., emissions above the limits specified in Table 1, Table 2 and Table 4).

**D. Use and Surrender of NO<sub>x</sub> Allowances**

69) Except as provided in this Consent Decree, NIPSCO shall not sell or trade any NO<sub>x</sub> Allowances allocated to the NIPSCO System that would otherwise be available

for sale or trade as a result of the actions taken by NIPSCO to comply with the requirements, as they become due, of this Consent Decree.

70) For any given calendar year, provided that NIPSCO is in compliance for that calendar year with all emissions limitations for NO<sub>x</sub> set forth in this Consent Decree, nothing in this Consent Decree, including the requirement to Surrender NO<sub>x</sub> allowances under Paragraph 71 of this Consent Decree, shall preclude NIPSCO from selling or trading NO<sub>x</sub> Allowances allocated to the NIPSCO System that become available for sale or trade that calendar year solely as a result of:

- a. the installation and operation at any time of any NO<sub>x</sub> pollution control technology or technique that is not otherwise required by this Consent Decree, or the installation and operation of NO<sub>x</sub> controls prior to the dates required under this Section IV of this Consent Decree; or
- b. achievement and maintenance of a NO<sub>x</sub> 30-Day Rolling Average Emission Rate at any non-cyclone NIPSCO System Unit, as determined on a unit by unit basis, below the emission rate specified for such Unit in Table 1; or for any NIPSCO Cyclone-fired Unit, as determined on a unit by unit basis, achievement and maintenance of a NO<sub>x</sub> 30-Day Rolling Average Emission Rate below 0.100 lb/mmBTU for such Cyclone-fired Unit, and a NO<sub>x</sub> 365-Day Rolling Average Emission Rate below the emission rate specified for such Cyclone-fired Unit in Table 2,

so long as NIPSCO timely reports the generation of such surplus NO<sub>x</sub> Allowances that occur after the Date of Entry of this Consent Decree in accordance with Section XIII (Periodic Reporting) of this Consent Decree.

71) Beginning with calendar year 2011, and continuing each calendar year thereafter, NIPSCO shall Surrender to EPA, or transfer to a non-profit third party selected by NIPSCO for Surrender, all NOx Allowances allocated to the NIPSCO System Units for that calendar year that NIPSCO does not need in order to meet its own federal and/or state Clean Air Act statutory or regulatory requirements. This requirement to Surrender all such NOx Allowances allocated to NIPSCO for a given calendar year is subject to Paragraph 70 of this Consent Decree. NIPSCO shall make such Surrender annually, within forty-five (45) days of NIPSCO's receipt of the Annual Deduction Reports for NOx from EPA. Surrender need not include the specific NOx Allowances that were allocated to NIPSCO System Units, so long as NIPSCO Surrenders NOx Allowances that are from the same year or an earlier year and that are equal to the number required to be Surrendered under this Paragraph.

72) If any NOx allowances are transferred directly to a non-profit third party, NIPSCO shall include a description of such transfer in the next report submitted to EPA and the State of Indiana pursuant to Section XIII (Periodic Reporting) of this Consent Decree. Such report shall: (i) provide the identity of the non-profit third-party recipient(s) of the NOx Allowances and a listing of the serial numbers of the transferred NOx Allowances; and (ii) include a certification by the third-party recipient(s) stating that the recipient(s) will not sell, trade, or otherwise exchange any of the allowances and will not use any of the NOx Allowances to meet any obligation imposed by any environmental law. No later than the third periodic report due after the transfer of any NOx Allowances, NIPSCO shall include a statement that the third-party recipient(s) Surrendered the NOx Allowances for permanent Surrender to EPA in accordance with the provisions of

Paragraph 71 within one (1) year after NIPSCO transferred the NO<sub>x</sub> Allowances to them. NIPSCO shall not have complied with the NO<sub>x</sub> Allowance Surrender requirements of this Paragraph until all third-party recipient(s) shall have actually Surrendered the transferred NO<sub>x</sub> Allowances to EPA.

73) For all NO<sub>x</sub> Allowances Surrendered to EPA, NIPSCO or the third-party recipient(s) (as the case may be) shall first submit a NO<sub>x</sub> Allowance transfer request form to the EPA Office of Air and Radiation's Clean Air Markets Division ("CAMD") directing the transfer of such NO<sub>x</sub> Allowances to the EPA Enforcement Surrender Account or to any other EPA account that EPA may direct in writing. As part of submitting these transfer requests, NIPSCO or the third-party recipient(s) shall irrevocably authorize the transfer of these NO<sub>x</sub> Allowances and identify by name of account and any applicable serial or other identification numbers or station names the source and location of the NO<sub>x</sub> Allowances being Surrendered.

74) Nothing in this Consent Decree shall prevent NIPSCO from purchasing or otherwise obtaining NO<sub>x</sub> Allowances from another source for purposes of complying with state or federal Clean Air Act requirements to the extent otherwise allowed by law. Such allowances will not be used to demonstrate compliance with the annual tonnage caps of this Consent Decree.

75) The requirements in Paragraphs 69 through 74 of this Consent Decree pertaining to NIPSCO's use or Surrender of NO<sub>x</sub> Allowances are permanent injunctions not subject to any termination provision of this Consent Decree.

**V. SO<sub>2</sub> EMISSION REDUCTIONS AND CONTROLS**

**A. SO<sub>2</sub> Emission Controls**

76) Commencing for each Unit on the dates set forth in Table 5 below, NIPSCO shall Continuously Operate the FGDs at each Unit in the NIPSCO System as stated in Table 5 and achieve and continuously maintain the 30-Day Rolling Average Emission Rate or applicable SO<sub>2</sub> 30-Day Rolling Average Removal Efficiency or Monthly SO<sub>2</sub> Removal Efficiency as set forth in Table 5.

Table 5

Unit	Control Technology	30-Day Rolling Average Emission Rate (lb/mmBTU) / Removal Efficiency & Monthly SO <sub>2</sub> Removal Efficiency	Date required to meet emission rate/removal efficiency
Bailly Units 7 and 8	Upgrade existing FGD on Bailly 7 and 8 main stack	95.0% Monthly SO <sub>2</sub> Removal Efficiency	January 1, 2011
		97.0% 30-Day Rolling Average SO <sub>2</sub> Removal Efficiency or 95.0% 30-Day Rolling Average SO <sub>2</sub> Removal Efficiency if Bailly Units 7 and 8 burn only Low Sulfur Coal for that entire 30-day period	January 1, 2014
Michigan City Unit 12	SO <sub>2</sub> Option 1: Retire	SO <sub>2</sub> Option 1: N/A	December 31, 2018
	SO <sub>2</sub> Option 2: FGD	SO <sub>2</sub> Option 2: 0.100 lb/mmbtu 30-Day Rolling Average Emission Rate	
Schahfer Unit 14	FGD	0.080 lb/mmbtu 30-Day Rolling Average Emission Rate	December 31, 2013
Schahfer Unit 15	FGD	0.080 lb/mmbtu 30-Day Rolling Average Emission Rate	December 31, 2015
Schahfer Unit 17	Upgrade existing FGD	97.0 % 30-Day Rolling Average Removal Efficiency	January 31, 2011
Schahfer Unit 18	Upgrade	97.0 % 30-Day Rolling Average	January 31, 2011

	existing FGD	Removal Efficiency	
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77) By December 31, 2014, NIPSCO shall notify EPA of its decision to implement either SO<sub>2</sub> Option 1 or SO<sub>2</sub> Option 2 for Michigan City Unit 12 as described in Table 5.

78) NIPSCO utilizes a main stack (CS00001) through which air emissions from both Bailly Units 7 and 8 are routed. NIPSCO has in place an existing contract with Pure Air, a separate entity, under which Pure Air owns and operates an FGD controlling SO<sub>2</sub> emissions from Bailly Units 7 and 8. This FGD controls SO<sub>2</sub> emissions from both Bailly Units 7 and 8. During periods of startup, the FGD and the main stack cannot be used for the unit(s) experiencing startup. When either or both Bailly Units 7 and 8 are experiencing startup, emissions from the unit(s) experiencing startup are routed through a bypass stack that serves Bailly Unit 7 and Unit 8 around the FGD and these emissions are not controlled by the FGD. While combusting fuel, emissions from a Bailly unit shall be routed through the FGD unless that unit is experiencing startup. The following restrictions shall apply to NIPSCO's use of the bypass stack:

- a. While combusting fuel, NIPSCO shall not use the Bailly Unit 7 and Unit 8 bypass stack for any emission purpose other than during periods of startup, and then may only use it for the unit(s) experiencing startup.
- b. All SO<sub>2</sub> emissions associated with periods of startup are included in the calculation of the Monthly SO<sub>2</sub> Removal Efficiency and 30-Day Rolling Average SO<sub>2</sub> Removal Efficiency for Bailly Unit 7 and 8 as described in Table 5, except that NIPSCO may exclude from that calculation those

startup emissions from a unit that occur up until that unit reaches a temperature of 280 degrees Fahrenheit as measured at the outlet of the precipitator, not to exceed 16 hours in duration per startup while combusting coal. NIPSCO may however, exclude from the relevant removal efficiency, startup emissions that occur after the 16<sup>th</sup> hour up to the 24<sup>th</sup> hour, if NIPSCO Surrenders SO<sub>2</sub> Allowances in an amount equal to the difference between the actual tons of SO<sub>2</sub> emitted from the bypass stack between hour 17 and the point in time NIPSCO ceases use of the bypass stack for startup emissions (but, in any event, no longer than hour 24) and the tons of SO<sub>2</sub> emissions that would have been emitted assuming compliance with the relevant removal efficiency for Bailly Unit 7 and 8 specified in Table 5. In addition, NIPSCO may only exclude these limited unit startup emissions for the Bailly bypass stack if NIPSCO demonstrates to EPA that such emissions otherwise would cause NIPSCO to violate the relevant removal efficiency for Bailly Unit 7 or 8 as described in Table 5. Such demonstration shall require that NIPSCO, at minimum, provide EPA with calculations of emissions with and without bypass stack emissions;

- c. NIPSCO shall limit the use of the bypass stack to the greatest extent practicable;
- d. NIPSCO shall operate the bypass stack consistent with good engineering and maintenance practices for minimizing emissions to the extent practicable; and

- e. Annual System Tonnage Limitations in Tables 4 and 6 shall apply during all periods of emissions, including all periods of bypass stack emissions.

79) In the event that the Monthly SO<sub>2</sub> Removal Efficiency requirements for Bailly Unit 7 and Unit 8 as listed in Table 5 are not achieved for any given Calendar Month prior to January 1, 2014 after applying Paragraph 78, as applicable, NIPSCO may nonetheless remain in compliance with the requirements of this Section V (SO<sub>2</sub> Emissions Reduction and Controls) by Surrendering the number of SO<sub>2</sub> Allowances equal to two times (2x) the difference between the actual tons of SO<sub>2</sub> emitted from the Bailly main stack (CS001) during such Calendar Month minus the tons of SO<sub>2</sub> emissions that would have been emitted from that stack during that Calendar Month had NIPSCO complied with the applicable Monthly SO<sub>2</sub> Removal Efficiency specified in Table 5. In all cases where the applicable Monthly SO<sub>2</sub> Removal Efficiency is not achieved for a given Calendar Month prior to January 1, 2014, the difference between the actual SO<sub>2</sub> emissions emitted and the compliance level of SO<sub>2</sub> emissions during such Calendar Month shall be rounded up to the next highest ton (e.g., if the difference is 750 pounds, then the difference shall be rounded up to one ton and SO<sub>2</sub> Allowances equal to two tons would be required to be retired). Any allowances retired under this Paragraph 79 shall be in addition to any allowances that NIPSCO is otherwise required to Surrender to EPA or transfer to a non-profit third party pursuant to Paragraph 86 and 87 of this Consent Decree. After January 1, 2014, the method described in this Paragraph 79 may not be used to comply with the requirements of this Section.

80) After prior written notice to the Plaintiffs and prior written approval from EPA (after consultation by EPA with the State of Indiana), NIPSCO may, in lieu of

installing and operating FGD technology at Schahfer Unit 15, install and operate equivalent SO<sub>2</sub> control technology, so long as such equivalent SO<sub>2</sub> control technology has been demonstrated to be capable of achieving and maintaining a 30-Day Rolling Average Rate for SO<sub>2</sub> of not more than 0.080 lb/mmBTU, and so long as NIPSCO commences operation of the equivalent SO<sub>2</sub> control technology by the date specified for FGD installation in Table 5. If it elects to request equivalent SO<sub>2</sub> technology, NIPSCO shall provide the written notice referenced above no later than December 31, 2012. Upon installation of such equivalent SO<sub>2</sub> control technology as a means of complying with Table 5, NIPSCO shall achieve and maintain a 30-Day Rolling Average Emission Rate for SO<sub>2</sub> of not more than 0.080 lb/mmBTU at that Unit.

**B. General SO<sub>2</sub> Provisions**

81) In determining Emission Rates for SO<sub>2</sub>, NIPSCO shall use CEMS in accordance with the procedures of 40 C.F.R. Part 75.

**C. Annual System Tonnage Limitation for SO<sub>2</sub>**

82) In addition to meeting the emission limits set forth in Table 5, all Units in the NIPSCO System, collectively, shall not emit SO<sub>2</sub> in excess of the Annual System Tonnage Limitations calculated on a calendar-year basis set forth in Table 6.

Table 6:

<b>Applicable Calendar Year</b>	<b>Annual NIPSCO System Tonnage Limitation for SO<sub>2</sub></b>
2011	50,200 tons
2012	Same as 2011

2013	Same as 2011
2014	35,900 tons
2015	Same as 2014
2016	25,300 tons
2017	Same as 2016
2018	Same as 2016
2019 and thereafter	<p>If NIPSCO selects SO<sub>2</sub> Option 2 (Michigan City Unit 12 FGD): 11,600 tons</p> <p>If NIPSCO selects SO<sub>2</sub> Option 1 (Retirement of Michigan City Unit 12): 10,200 tons</p>

83) Except as may be necessary to comply with Section XV (Stipulated Penalties), and except as permitted or required under Paragraphs 78 and 79, NIPSCO may not use SO<sub>2</sub> Allowances to comply with any requirement of this Consent Decree, including by claiming compliance with any emission limitation required by this Decree by using, tendering, or otherwise applying SO<sub>2</sub> Allowances to offset any excess emissions (i.e., emissions above the limits specified in Table 5 and Table 6).

**D. Use and Surrender of SO<sub>2</sub> Allowances**

84) Except as provided in this Consent Decree, NIPSCO shall not sell or trade any SO<sub>2</sub> Allowances allocated to the NIPSCO System that would otherwise be available for sale or trade as a result of the actions taken by NIPSCO to comply with the requirements, as they become due, of this Consent Decree.

85) For any given calendar year, provided that the NIPSCO System is in compliance for that calendar year with all emissions limitations for SO<sub>2</sub> set forth in this Consent Decree, nothing in this Consent Decree, including the requirement to Surrender SO<sub>2</sub> Allowances under Paragraph 86 of this Consent Decree, shall preclude NIPSCO from selling or trading SO<sub>2</sub> Allowances allocated to the NIPSCO System that become available for sale or trade that calendar year solely as a result of:

- a. the installation and operation of any pollution control technology or technique that is not otherwise required by this Consent Decree, or the installation and operation of any FGD prior to the dates required by Section V of this Consent Decree; or
- b. achievement and maintenance of an SO<sub>2</sub> 30-Day Rolling Average Removal Efficiency, 30-Day Rolling Average Emission Rate, or Monthly SO<sub>2</sub> Removal Efficiency at any NIPSCO System Unit, as determined on a unit by unit basis, at a higher removal efficiency than the SO<sub>2</sub> 30-Day Rolling Average Removal Efficiency or Monthly SO<sub>2</sub> Removal Efficiency specified for such Unit, or below the SO<sub>2</sub> 30-Day Rolling Average Emission Rate specified for such Unit,

so long as NIPSCO timely reports the generation of such surplus SO<sub>2</sub> Allowances that occur after the Date of Entry of the Consent Decree in accordance with Section XIII (Periodic Reporting) of this Consent Decree.

86) Beginning with calendar year 2011, and continuing each calendar year thereafter, NIPSCO shall Surrender to EPA, or transfer to a non-profit third party selected by NIPSCO for Surrender, all SO<sub>2</sub> Allowances allocated to the NIPSCO System Units for

that calendar year that NIPSCO does not need in order to meet its own federal and/or state Clean Air Act statutory or regulatory requirements. This requirement to Surrender all such SO<sub>2</sub> Allowances is subject to Paragraph 85 of this Consent Decree. NIPSCO shall make such Surrender annually, within forty-five (45) days of NIPSCO's receipt of the Annual Deduction Reports for SO<sub>2</sub> from EPA. Surrender need not include the specific SO<sub>2</sub> Allowances that were allocated to NIPSCO System Units, so long as NIPSCO surrenders SO<sub>2</sub> Allowances that are from the same year or an earlier year and that are equal to the number required to be surrendered under this Paragraph.

87) If any allowances are transferred directly to a non-profit third party, NIPSCO shall include a description of such transfer in the next report submitted to EPA and the State of Indiana pursuant to Section XIII (Periodic Reporting) of this Consent Decree. Such report shall: (i) provide the identity of the non-profit third-party recipient(s) of the SO<sub>2</sub> Allowances and a listing of the serial numbers of the transferred SO<sub>2</sub> Allowances; and (ii) include a certification by the third-party recipient(s) stating that the recipient(s) will not sell, trade, or otherwise exchange any of the allowances and will not use any of the SO<sub>2</sub> Allowances to meet any obligation imposed by any environmental law. No later than the third periodic report due after the transfer of any SO<sub>2</sub> Allowances, NIPSCO shall include a statement that the third-party recipient(s) Surrendered the SO<sub>2</sub> Allowances for permanent surrender to EPA in accordance with the provisions of Paragraph 86 within one (1) year after NIPSCO transferred the SO<sub>2</sub> Allowances to them. NIPSCO shall not have complied with the SO<sub>2</sub> Allowance Surrender requirements of this Paragraph until all third-party recipient(s) shall have actually Surrendered the transferred SO<sub>2</sub> Allowances to EPA.

88) For all SO<sub>2</sub> Allowances surrendered to EPA, NIPSCO or the third-party recipient(s) (as the case may be) shall first submit an SO<sub>2</sub> Allowance transfer request form to the EPA Office of Air and Radiation's Clean Air Markets Division ("CAMD") directing the transfer of such SO<sub>2</sub> Allowances to the EPA Enforcement Surrender Account or to any other EPA account that EPA may direct in writing. As part of submitting these transfer requests, NIPSCO or the third-party recipient(s) shall irrevocably authorize the transfer of these SO<sub>2</sub> Allowances and identify by name of account and any applicable serial or other identification numbers or station names the source and location of the SO<sub>2</sub> Allowances being surrendered.

89) Nothing in this Consent Decree shall prevent NIPSCO from purchasing or otherwise obtaining SO<sub>2</sub> Allowances from another source for purposes of complying with state or federal Clean Air Act requirements to the extent otherwise allowed by law. Such allowances shall not be used to demonstrate compliance with the annual tonnage caps of this Consent Decree.

90) The requirements in Paragraphs 84 through 89 of this Decree pertaining to NIPSCO's surrender of SO<sub>2</sub> Allowances are permanent injunctions not subject to any termination provision of this Decree.

## **VI. PM EMISSION REDUCTIONS AND CONTROLS**

### **A. Optimization of PM Emission Controls**

91) Beginning ninety (90) days after the Date of Entry of this Consent Decree, and continuing thereafter, NIPSCO shall Continuously Operate each PM Control Device on each Unit within the NIPSCO System, to maximize the PM emission reductions at all times when the unit is in operation, provided that such operation of the PM Control Device is

consistent with the technological limitations, manufacturer's specifications and good engineering and maintenance practices for the PM Control Device. During any periods when any section or compartment of the PM control device is not operational, NIPSCO will minimize emissions to the extent practicable (as defined in 40 C.F.R. § 60.11(d)). Notwithstanding the foregoing sentences of this Paragraph 91, NIPSCO shall not be required to operate an ESP on any Unit if a fullstream baghouse is installed and operating to replace the ESP . Specifically, NIPSCO shall, at a minimum, to the extent practicable, and where applicable: (a) energize each available section of the ESP for each Unit, or at each Unit where a baghouse is installed, operate each compartment of the baghouse for each such Unit, regardless of whether that action is needed to comply with opacity limits; (b) maintain the energy or power levels delivered to the ESPs for each Unit to achieve optimal removal of PM, or at each Unit where a baghouse is installed, maintain and replace bags on each baghouse as needed to maximize collection efficiency; (c) at each Unit inspect the ESP or the baghouse (at any Unit where a baghouse is installed) for any openings or leakage in the casings, ductwork and expansion joints, and make best efforts to expeditiously repair and return to service any ESP section or baghouse compartment needing repair; (d) at each Unit where no baghouse is installed or operating, operate automatic control systems on the ESP, including the plate-cleaning and discharge electrode cleaning systems, to maximize control efficiency; and (e) at each Unit where a baghouse is installed and operating, make best efforts to expeditiously repair and return to service any failed baghouse compartment.

**B. PM Emissions**

92) Beginning for each Unit on the dates specified in Table 7 below, NIPSCO shall achieve and maintain a PM Emission Rate of no greater than 0.030 lb/mmBTU. If NIPSCO installs a fullstream baghouse on any of the Units identified in Table 7 to replace an existing ESP, pursuant to Paragraph 91 above, NIPSCO shall, upon installation of such baghouse, achieve and maintain a PM Emission Rate of no greater than 0.015 lb/mmBTU.

Table 7

<b>NIPSCO System Unit</b>	<b>Date</b>
Bailly Units 7 and 8 Main Stack (CS001)	December 31, 2010
Michigan City Unit 12	December 31, 2018
Schahfer Unit 14	December 31, 2013
Schahfer Unit 15	December 31, 2015
Schahfer Unit 17	December 31, 2010
Schahfer Unit 18	December 31, 2010

**C. PM Emissions Testing**

93) Beginning in calendar year 2011 and continuing in each calendar year thereafter, NIPSCO shall conduct a PM performance test on each NIPSCO System Unit identified in Table 7. The annual performance test requirement imposed on NIPSCO by this Paragraph may be satisfied by stack tests conducted by NIPSCO as may be required by its permits from the State of Indiana for any year that such stack tests are required under the permits. NIPSCO may perform testing every other year, rather than every year, provided

that two of the most recently completed test results from tests conducted in accordance with the methods and procedures specified in this Paragraph demonstrate that the PM emissions are equal to or less than 0.015 lb/mmBTU. NIPSCO shall perform testing every year, rather than every other year, beginning in the year immediately following any test result demonstrating that the PM emissions are greater than 0.015 lb/mmBTU.

**D. General PM Provision**

94) The reference methods and procedures for determining compliance with PM Emission Rates shall be those specified in 40 C.F.R. Part 60, Appendix A, Method 5, or an alternative method that is promulgated by EPA, requested for use herein by NIPSCO, and approved for use herein by EPA and IDEM. Use of any particular method shall conform to the EPA requirements specified in 40 C.F.R. Part 60, Appendix A and 40 C.F.R. §§ 60.48a (b) and (e), or any federally approved method contained in the Indiana SIP. NIPSCO shall calculate the PM Emission Rates from the stack test results in accordance with 40 C.F.R. § 60.8(f). The results of each PM stack test shall be submitted to EPA and IDEM within forty-five (45) days of completion of each test.

**VII. UNIT RETIREMENT**

95) No later than December 31, 2010, NIPSCO shall Retire Mitchell Units 4, 5, 6, and 11.

96) If NIPSCO elects to Retire any Unit within the NIPSCO System other than Michigan City Unit 12 or Mitchell Units 4,5,6, and 11, such Retirement shall not alter the Annual System Tonnage Limitations as described in Tables 4 and 6.

**VIII. PROHIBITION ON NETTING CREDITS OR OFFSETS FROM REQUIRED CONTROLS**

97) Emission reductions that result from actions to be taken by NIPSCO after the Date of Entry of this Consent Decree to comply with the requirements of this Consent Decree shall not be considered as a creditable contemporaneous emission decrease for the purpose of obtaining a netting or offset credit under the Clean Air Act's Nonattainment NSR and PSD programs.

98) The limitations on the generation and use of netting credits or offsets set forth in the previous Paragraph 97 do not apply to emission reductions achieved by NIPSCO System Units that are greater than those required under this Consent Decree. For purposes of this Paragraph, emission reductions from a NIPSCO System Unit are greater than those required under this Consent Decree if, for example, they result from NIPSCO's compliance with federally enforceable emission limits that are more stringent than those limits imposed on the NIPSCO System and individual Units under this Consent Decree and under applicable provisions of the Clean Air Act or the Indiana SIP.

99) Nothing in this Consent Decree is intended to preclude the emission reductions generated under this Consent Decree from being considered by the State of Indiana or EPA as creditable contemporaneous emission decreases for the purpose of attainment demonstrations submitted pursuant to § 110 of the Act, 42 U.S.C. § 7410, or in determining impacts on NAAQS.

100) Nothing in this Consent Decree precludes any emissions from any NIPSCO System Units that occur either prior to the Date of Entry of this Consent Decree or thereafter from being considered in any modeling analyses required pursuant to 40 C.F.R. Part 52 or the Prevention of Significant Deterioration regulations under the Indiana

SIP for purposes of demonstrating compliance with PSD increments or air quality related values, including visibility, in a Class I area.

**IX. PM AND MERCURY CONTINUOUS EMISSION MONITORING SYSTEMS (CEMS)**

101) Within eighteen months after the Date of Entry of this Consent Decree, or within 90 days of EPA's approval of NIPSCO's timely submittal under Paragraph 104, whichever is later, NIPSCO shall install, certify, maintain, and operate two PM CEMS and two mercury CEMS. NIPSCO shall install each PM CEMS and mercury CEMS such that representative measurements of emissions are obtained from the monitored unit(s). Each CEMS shall complete a minimum of one cycle of operations (sampling, analyzing and data recording) for each successive 15-minute period. Except for CEMS breakdowns, repairs, calibration checks, and zero and span adjustments, NIPSCO shall continuously operate the PM CEMS and mercury CEMS consistent with technical limitations and manufacturer specifications.

102) The PM CEMS identified in Paragraph 101 above, shall be installed at NIPSCO's Michigan City Unit 12 and Schahfer Unit 15. The PM CEMS shall comprise a continuous particle mass monitor measuring particulate matter concentration, directly or indirectly, on a continuous basis. NIPSCO shall install a diluent monitoring system on Michigan City Unit 12 and Schahfer Unit 15 such that the PM mass concentration can be converted to units of lb/mmBTU. NIPSCO shall certify the two PM CEMS in accordance with 40 C.F.R. Part 60, Appendix B, Performance Specification 11. NIPSCO shall submit installation plans, operation plans and perform testing and reporting in accordance with Paragraphs 104 through 106 of this Consent Decree. In the event NIPSCO elects to retire

Michigan City Unit 12, PM CEMS shall be installed on Schahfer Unit 14 in accordance with the requirements of this Paragraph prior to the retirement of Michigan City Unit 12.

103) The mercury CEMS identified in Paragraph 101 shall be installed at NIPSCO's Michigan City Unit 12 and Schahfer Unit 15. The mercury CEMS shall be comprised of a continuous total vapor phase mercury monitoring device which measures total vapor phase mercury concentration, directly or indirectly, on a continuous basis. NIPSCO shall install a diluent monitoring system on Michigan City Unit 12 and Schahfer Unit 15, such that the mercury concentrations can be converted to units of pounds per trillion BTU (lb-mercury/TBTU) on an hourly average basis. NIPSCO shall certify the Mercury CEMS in accordance with 40 C.F.R. Part 60, Appendix B, Performance Specification 12a. NIPSCO shall submit installation plans, operation plans and perform testing and reporting in accordance with Paragraphs 104 through 106 of this Consent Decree. In the event NIPSCO elects to retire Michigan City Unit 12, mercury CEMS shall be installed on Schahfer Unit 14 in accordance with the requirements of this Paragraph prior to the retirement of Michigan City Unit 12.

104) Within six (6) months after the Date of Entry of this Consent Decree, NIPSCO shall submit to EPA for review and approval pursuant to Section XIV (Review and Approval of Submittals) of this Consent Decree the following information regarding the PM and mercury CEMS: (a) a plan for the installation, certification and operation of the CEMS; and (b) no less than six (6) months prior to conducting tests in accordance with Paragraph 105 of this Consent Decree a proposed QA/QC protocol that shall be followed in calibrating each PM CEMS and mercury CEMS. In developing both the plan for installation and certification of the PM and mercury CEMS and the QA/QC protocol,

NIPSCO shall use the criteria set forth in 40 C.F.R. Part 60, Appendix B (PS 11 and PS 12a). EPA shall expeditiously review such submissions. Following approval by EPA, NIPSCO shall thereafter operate the PM and mercury CEMS in accordance with the approved protocols.

105) No later than ninety days (90) after the deadline imposed by Paragraph 101, or within 90 days after EPA's approval of NIPSCO's submittals pursuant to Paragraph 104, whichever is later, NIPSCO shall conduct tests on each PM CEMS and mercury CEMS to demonstrate compliance with the CEMS installation and certification plan submitted to and approved by EPA in accordance with Paragraph 104. NIPSCO shall submit the results of all certification testing (including incomplete testing and associated Reference Method Testing) to EPA and IDEM within forty-five (45) days of completion of certification testing

106) Upon completion of testing in accordance with Paragraph 105 above, NIPSCO shall begin and continue to report to EPA, pursuant to Section XIII (Periodic Reporting), the data recorded by the PM and mercury CEMS, expressed in lb-PM/mmBTU and lb-mercury/TBTU, respectively. The data shall be reported as a three-hour rolling average basis in electronic format, as required by Section XIII, and shall include: each exceedance of an applicable PM mass emission limit (including those occurring during startup, shutdown and/or Malfunction), the magnitude of each exceedance, the date and time of commencement and completion of each period of exceedance, the process operating time during the reporting period, the nature and cause of each exceedance, the corrective action(s) taken or preventative measure(s) adopted in response to each exceedance, the date and time of each period during which any of the CEMS were

inoperative (except for zero and span checks), and the nature of system repairs or adjustments. For purposes of this Consent Decree, stack testing pursuant to Paragraph 94 shall be the method to determine compliance with the PM Emission Rate established by this Consent Decree. However, data from the PM CEMS shall be used to, at a minimum, monitor progress in reducing PM emissions.

107) Nothing in this Consent Decree is intended to, or shall, alter or waive any applicable law (including any defenses, entitlements, challenges, or clarifications related to the Credible Evidence Rule, 40 C.F.R. § 52.12(c) (62 Fed. Reg. 8,315; Feb. 27, 1997)) concerning the use of data for any purpose under the Act.

**X. ENVIRONMENTAL MITIGATION PROJECTS**

108) NIPSCO shall implement the Environmental Mitigation Projects (“Projects”) described in Appendix A to this Consent Decree in compliance with the approved plans and schedules for such Projects and other terms of this Consent Decree. NIPSCO shall submit plans for the Projects to Plaintiffs for review and approval pursuant to Section XIV (Review and Approval of Submittals) of this Consent Decree in accordance with the schedules set forth in Appendix A. In implementing the Projects, NIPSCO shall spend no less than \$9.5 million in Project Dollars within five (5) years of the Date of Entry of this Consent Decree. NIPSCO shall maintain, and present to Plaintiffs upon request, all documents to substantiate the Project Dollars expended and shall provide these documents to Plaintiffs within thirty (30) days of a request.

109) All plans and reports prepared by NIPSCO pursuant to the requirements of this Section of the Consent Decree and required to be submitted to EPA shall be publicly available from NIPSCO without charge.

110) NIPSCO shall certify, as part of each plan submitted to Plaintiffs for any Project, that NIPSCO is not otherwise required by law to perform the Project described in the plan, that NIPSCO is unaware of any other person who is required by law to perform the Project, and that NIPSCO will not use any Project, or portion thereof, to satisfy any obligations that it may have under other applicable requirements of law, including any applicable renewable portfolio standards or energy conservation standards.

111) NIPSCO shall use good faith efforts to secure as much benefit as possible for the Project Dollars expended, consistent with the applicable requirements and limits of this Consent Decree.

112) If NIPSCO elects (where such an election is allowed) to undertake a Project by contributing funds to another person or entity that will carry out the Project in lieu of NIPSCO, but not including NIPSCO's agents or contractors, that person or instrumentality must, in writing: (a) identify its legal authority for accepting such funding; and (b) identify its legal authority to conduct the Project for which NIPSCO contributes the funds. Regardless of whether NIPSCO elected (where such election is allowed) to undertake a Project by itself or to do so by contributing funds to another person or instrumentality that will carry out the Project, NIPSCO acknowledges that it will receive credit for the expenditure of such funds as Project Dollars only if NIPSCO demonstrates that the funds have been actually spent by either NIPSCO or by the person or instrumentality receiving them (or, in the case of internal costs, have actually been incurred by NIPSCO), and that such expenditures met all requirements of this Consent Decree.

113) Beginning six (6) months after the Date of Entry of this Consent Decree, and continuing until completion of each Project (including any applicable periods of

demonstration or testing), NIPSCO shall provide Plaintiffs with semi-annual updates concerning the progress of each Project.

114) Within sixty (60) days following the completion of each Project required under this Consent Decree (including any applicable periods of demonstration or testing), NIPSCO shall submit to Plaintiffs a report that documents the date that the Project was completed, NIPSCO's results from implementing the Project, including the emission reductions or other environmental benefits achieved, and the Project Dollars expended by NIPSCO in implementing the Project (including the emission reductions achieved for SO<sub>2</sub>, NO<sub>x</sub>, PM, and CO<sub>2</sub>).

115) In connection with any communication to the public or to shareholders regarding NIPSCO's actions or expenditures relating in any way to the Environmental Mitigation Projects in this Consent Decree, NIPSCO shall include prominently in the communication the information that the actions and expenditures were required as part of a consent decree to resolve allegations that NIPSCO violated the Clean Air Act.

**XI. CIVIL PENALTY**

116) Within thirty (30) calendar days after the Date of Entry of this Consent Decree, NIPSCO shall pay to the United States and the State of Indiana a civil penalty in the amount of \$3.5 million, as follows:

- (a) NIPSCO shall pay a civil penalty of \$ 3.3 million to the United States. The civil penalty to the United States shall be paid by Electronic Funds Transfer ("EFT") to the United States Department of Justice, in accordance with current EFT procedures, referencing DOJ Case Number 90-5-2-1-08417 and the civil action case name and case number of this action. The costs of such

EFT shall be NIPSCO's responsibility. Payment shall be made in accordance with timely instructions provided to NIPSCO by the Financial Litigation Unit of the U.S. Attorney's Office for the Northern District of Indiana. Any funds received after 2:00 p.m. EDT shall be credited on the next business day. At the time of payment, NIPSCO shall provide notice of payment, referencing the USAO File Number, the DOJ Case Number, and the civil action case name and case number, to the Department of Justice and to EPA in accordance with Section XXI (Notices) of this Consent Decree.

- (b) NIPSCO shall pay a civil penalty of \$200,000 to the State of Indiana. Payment shall be made by check made out to the "Environmental Management Special Fund" and shall be mailed to:

Indiana Department of Environmental Management  
Cashier- Mail Code 50-10C  
100 North Senate Avenue  
Indianapolis, IN 46204-2251

117) Failure to timely pay the civil penalty shall subject NIPSCO to interest accruing from the date payment is due until the date payment is made at the rate prescribed by 28 U.S.C. § 1961, and shall render NIPSCO liable for all charges, costs, fees, and penalties established by law for the benefit of a creditor or of the United States in securing payment.

118) Payments made pursuant to this Section are penalties within the meaning of Section 162(f) of the Internal Revenue Code, 26 U.S.C. § 162(f), and are not tax-deductible expenditures for purposes of federal law.

## **XII. RESOLUTION OF PAST AND FUTURE CLAIMS**

### **A. Resolution of Plaintiffs' Civil Claims**

119) Claims of the United States Based on Modifications Occurring Before the Lodging of Decree. Entry of this Consent Decree shall resolve all civil claims of the

United States under:

- a. Parts C and D of Subchapter I of the Clean Air Act, 42 U.S.C. §§ 7470-7492, 7501-7515, and the implementing federal and state rules, including the Indiana SIP approved under Section 110 of the Act implementing Parts C or D of Subchapter I; and
- b. Title V of the Clean Air Act, 42 U.S.C. §§ 7661-7661f, and the implementing Title V operating permit program, including regulations that EPA has approved and/or promulgated under the Act, but only to the extent that such claims are based on NIPSCO's failure to obtain or amend an operating permit or failure to submit or amend an operating permit application that reflects applicable requirements imposed under Parts C and D of Subchapter I of the Clean Air Act;

that arose from or are based on any modification that commenced at any NIPSCO System Unit prior to the Date of Lodging of this Consent Decree, including but not limited to those claims and modifications alleged in the Complaint filed by the Plaintiffs in this civil action and those claims and modifications asserted in the NOV issued by EPA to NIPSCO.

120) Claims of the State of Indiana Based on Modifications Occurring Before the Lodging of Decree. Entry of this Decree shall resolve all civil claims of the State of

Indiana under:

- a. Parts C and D of Subchapter I of the Clean Air Act, 42 U.S.C. §§ 7470-7492, 7501-7515, and the implementing federal and state rules, including all civil claims under Indiana regulations at 326 IAC 2-1 *et seq.* (Construction and Operating Permit Requirements), 326 IAC 2-2 *et seq.* (PSD Requirements) and 326 IAC 2-3 *et seq.* (Emission Offset), and any related Indiana statutes, including all versions of the Indiana major New Source Review program that existed at the time of the modifications alleged in the Complaint to any NIPSCO System Unit;
- b. Indiana regulations at 326 IAC 2 that govern minor New Source Review and any related Indiana statutes, including any Indiana rule governing minor New Source Review that existed at the time of the modifications alleged in the Complaint to any NIPSCO System Unit; and
- c. Indiana statutes as they specifically apply to the programs implemented pursuant to Subchapter V of the Act, as well as Indiana regulations at 326 IAC 2-7 *et seq.* (Part 70 Permit Program);

that arose from or are based on any modification that commenced at any NIPSCO System Unit prior to the Date of Lodging of this Consent Decree, including but not limited to those claims and modifications alleged in the Complaint filed by the Plaintiffs in this civil action and those claims and modifications asserted in the NOV issued by EPA to NIPSCO.

121) Plaintiffs' Claims Based on Modifications After the Lodging of Decree.

Entry of this Consent Decree also shall resolve all civil claims of the United States and of the State of Indiana for pollutants, except sulfuric acid mist, regulated under Parts C and D of Subchapter I of the Clean Air Act, and under regulations promulgated as of the Date of

Lodging of this Consent Decree, where such claims are based on any modification completed before December 31, 2018, and

- a. is commenced at any NIPSCO System Unit after the Date of Lodging; or
- b. that this Consent Decree expressly directs NIPSCO to undertake.

The term “modification” as used in this Paragraph 121 shall have the meaning that term is given under the Clean Air Act or under the regulations promulgated thereunder as of the Date of Lodging of this Consent Decree. For purposes of this Paragraph 121, civil claims shall not include greenhouse gases (carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride) even if greenhouse gases are pollutants regulated under Part C or D of Subchapter I of the Act, and under regulations promulgated thereunder.

122) Reopener. The resolution of the civil claims of the United States and the State of Indiana provided by this Subsection is subject to the provisions of Subsection B of this Section.

**B. Pursuit of Plaintiffs’ Civil Claims Otherwise Resolved**

123) Bases for Pursuing Resolved Claims Across NIPSCO System. If NIPSCO violates an Annual Tonnage Limits in Tables 4 or 6, or fails by more than ninety (90) days to complete upgrading of the Bailly FGD or installation and commence operation of any emission control device required pursuant to this Consent Decree; or fails by more than ninety (90) days to retire and permanently cease to operate all Mitchell Units pursuant to Section VII (Unit Retirement), then the United States or the State of Indiana may pursue any claim at any NIPSCO System Unit that has otherwise been resolved under Subsection A of this Section, subject to (a) and (b) below.

- a. For any claims based on modifications undertaken at an Other Unit (i.e. any Unit of the NIPSCO System that is not an Improved Unit for the pollutant in question), claims may be pursued only where the modification(s) on which such claim is based was commenced within the five years preceding the violation or failure specified in this Paragraph.
- b. For any claims based on modifications undertaken at an Improved Unit, claims may be pursued only where the modification(s) on which such claim is based was commenced: (i) after lodging of the Consent Decree, and (ii) within the five years preceding the violation or failure specified in this Paragraph.

124) Additional Bases for Pursuing Resolved Claims for modifications at an Improved Unit. Solely with respect to Improved Units, the United States or the State of Indiana may also pursue claims arising from a modification (or collection of modifications) at an Improved Unit that have otherwise been resolved under Section XII, Subsection A, if the modification (or collection of modifications) at the Improved Unit on which such claim is based: (i) was commenced after the Date of Lodging, and (ii) individually (or collectively) increased the maximum hourly emission rate of that Unit for NO<sub>x</sub> or SO<sub>2</sub> (as measured by 40 C.F.R. § 60.14 (b) and (h)) by more than ten percent (10%).

125) Additional Bases for Pursuing Resolved Claims for Modifications at an Other Unit. Solely with respect to Other Units, the United States or the State of Indiana may also pursue claims arising from a modification (or collection of modifications) at an Other Unit that have otherwise been resolved under Section XII, Subsection A, if the

modification (or collection of modifications) on which the claim is based was commenced within the five years preceding any of the following events:

- a. a modification (or collection of modifications) at such Other Unit commenced after the Date of Lodging that increases the maximum hourly emission rate for such Other Unit for the relevant pollutant (only NO<sub>x</sub> or SO<sub>2</sub>) as measured by 40 C.F.R. § 60.14(b) and (h);
- b. the aggregate of all Capital Expenditures paid at such Other Unit exceed \$150/KW on the Unit's Boiler Island (based on the capacity numbers included in Paragraph 36) during January 1, 2011, through December 31, 2017. (Capital Expenditures shall be measured in calendar year 2009 constant dollars, as adjusted by the McGraw-Hill Engineering News-Record Construction Cost Index); or
- c. a modification (or collection of modifications) at such Other Unit commenced after the Date of Lodging results in an emissions increase of NO<sub>x</sub> and/or SO<sub>2</sub> at such Other Unit, and such increase:
  - i. presents, by itself, or in combination with other emissions or sources, "an imminent and substantial endangerment" within the meaning of Section 303 of the Act, 42 U.S.C. §7603;
  - ii. causes or contributes to violation of a NAAQS in any Air Quality Control Area that is in attainment with that NAAQS;
  - iii. causes or contributes to violation of a PSD increment; or
  - iv. causes or contributes to any adverse impact on any formally recognized air quality and related values in any Class I area.

- d. The introduction of any new or changed NAAQS shall not, standing alone, provide the showing needed under subparagraph (c) of this Paragraph to pursue any claim for a modification at an Other Unit resolved under Subsection A of this Section.

### **XIII. PERIODIC REPORTING**

126) Pursuant to Paragraph 93 of this Consent Decree, NIPSCO shall conduct performance tests for PM that demonstrate compliance with the PM Emission Rate required by this Consent Decree with respect to NIPSCO System Units. Within forty-five (45) days of each such performance test, NIPSCO shall submit the results of the performance test to EPA and IDEM at the address specified in Section XXI (Notices) of this Consent Decree.

127) Beginning thirty (30) days after the end of the second calendar quarter following the Date of Entry of this Consent Decree, and continuing on a semi-annual basis until termination of this Consent Decree, and in addition to any other express reporting requirement in this Consent Decree, NIPSCO shall submit to EPA a progress report containing the following information:

- a. all information necessary to determine compliance with the requirements of the following Tables of this Consent Decree: Tables 1, 2, 3 and 4 concerning NO<sub>x</sub> emissions; Tables 5 and 6 concerning SO<sub>2</sub> emissions (including information related to burning of low sulfur coal at Bailly Units 7 and 8); and Table 7 concerning PM emissions;

- b. documentation of any Capital Expenditures at a Unit's Boiler Island made during the period covered by the progress report and cumulative Boiler Island Capital Expenditures to date;
- c. all information relating to emission allowances and credits that NIPSCO claims to have generated in accordance with Paragraphs 70 and 85, through compliance beyond the requirements of this Consent Decree;
- d. all information indicating the status of installation and commencement of operation of pollution controls, including information that the installation and commencement of operation of a pollution control device may be delayed, including the nature and cause of the delay, and any steps taken by NIPSCO to mitigate such delay;
- e. all affirmative defenses asserted by NIPSCO pursuant to Section XVII (Affirmative Defense) for that quarter;
- f. all information relating to excess emissions due to startup, shutdown, and Malfunction emissions, including steps taken to minimize the adverse effects of such excess emissions; and
- g. information verifying compliance with:
  - i. Continuous Operation of all pollution control equipment,
  - ii. allowance Surrender requirements, including supporting calculations, and
  - iii. optimization of any ESP's, including any periods during which all sections were not in service, the reasons therefore and actions taken to remedy such failure.

128) In any periodic progress report submitted pursuant to this Section, NIPSCO may incorporate by reference information previously submitted under its Title V permitting requirements, provided that NIPSCO attaches the Title V permit report, or the relevant portion thereof, and provides a specific reference to the provisions of the Title V permit report that are responsive to the information required in the periodic progress report.

129) In addition to the progress reports required pursuant to this Section, NIPSCO shall provide a written report to EPA of any violation of the requirements of this Consent Decree within fifteen (15) calendar days of when NIPSCO knew or should have known of any such violation. In this report, NIPSCO shall explain the cause or causes of the violation and all measures taken or to be taken by NIPSCO to prevent such violations in the future.

130) Each NIPSCO report shall be signed by NIPSCO's Vice President of Generation or his or her equivalent or designee of at least the rank of Vice President, and shall contain the following certification:

This information was prepared either by me or under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my evaluation, or the directions and my inquiry of the person(s) who manage the system, or the person(s) directly responsible for gathering the information, I hereby certify under penalty of law that, to the best of my knowledge and belief, this information is true, accurate, and complete. I understand that there are significant penalties for submitting false, inaccurate, or incomplete information to the United States.

131) If any Allowances are Surrendered to any third party pursuant to this Consent Decree, the third party's certification pursuant to Paragraphs 72 and 87, shall be signed by a managing officer of the third party and shall contain the following language:

I certify under penalty of law that, \_\_\_\_\_ [name of third party] will not sell, trade, or otherwise exchange any of the allowances and will not use any of the allowances to meet any obligation imposed by any environmental law. I

understand that there are significant penalties for submitting false, inaccurate, or incomplete information to the United States.

**XIV. REVIEW AND APPROVAL OF SUBMITTALS**

132) Unless otherwise provided, NIPSCO shall submit each plan, report, or other submission required by this Consent Decree to Plaintiffs whenever such a document is required to be submitted for review or approval pursuant to this Consent Decree. Plaintiffs may approve the submittal or decline to approve it and provide written comments explaining the bases for declining such approval. Within sixty (60) days of receiving written comments from Plaintiffs, NIPSCO shall either: (a) revise the submittal consistent with the written comments and provide the revised submittal to Plaintiffs; or (b) submit the matter for dispute resolution, including the period of informal negotiations, under Section XVIII (Dispute Resolution) of this Consent Decree.

133) Upon receipt of EPA's final approval of the submittal, or upon completion of the submittal pursuant to dispute resolution, NIPSCO shall implement the approved submittal in accordance with the schedule specified therein or another EPA-approved schedule.

**XV. STIPULATED PENALTIES**

134) For any failure by NIPSCO to comply with the terms of this Consent Decree, and subject to the provisions of Sections XVI (Force Majeure), VXII (Affirmative Defenses) and XVIII (Dispute Resolution), NIPSCO shall pay, within thirty (30) days after receipt of written demand to NIPSCO by the United States, the following stipulated penalties to the United States:

Table 8

<b>Consent Decree Violation</b>	<b>Stipulated Penalty</b>
a. Failure to pay the civil penalty as specified in Section XI (Civil Penalty) of this Consent Decree.	\$10,000 per day
b. Failure to comply with any applicable 30-Day Rolling Average Emission Rate for SO <sub>2</sub> or NO <sub>x</sub> , where the violation is less than 5% in excess of the limits set forth in this Consent Decree.	\$2,500 per day per violation
c. Failure to comply with any applicable 30-Day Rolling Average Emission Rate for SO <sub>2</sub> or NO <sub>x</sub> , where the violation is equal to or greater than 5% but less than 10% in excess of the limits set forth in this Consent Decree.	\$5,000 per day per violation
d. Failure to comply with any applicable 30-Day Rolling Average Emission Rate for SO <sub>2</sub> or NO <sub>x</sub> , where the violation is equal to or greater than 10% in excess of the limits set forth in this Consent Decree.	\$10,000 per day per violation
e. Failure to comply with any applicable average Removal Efficiency for SO <sub>2</sub> where the violation is equal to or less than 0.15% less than the applicable limit.	\$2,500 per day per violation
f. Failure to comply with any applicable average Removal Efficiency for SO <sub>2</sub> where the violation is greater than 0.15% but less than 0.3% less than the applicable limit.	\$5,000 per day per violation
g. Failure to comply with any applicable average Removal Efficiency for SO <sub>2</sub> where the violation is equal to or greater than 0.3% less than the applicable limit.	\$10,000 per day per violation
h. Failure to comply with any applicable 365-Day Rolling Average Emission Rate for NO <sub>x</sub> , where the violation is less than 5% in excess of the limits set forth in this Consent Decree.	\$350 per day of violation for a 365-Day Rolling Average Emission Rate violation, plus \$4,000 for each subsequent 365-Day Rolling Average Emission Rate violation that includes any day in a previously assessed 365-Day Rolling Average Emission Rate violation ( <i>e.g.</i> , if a violation of the 365-Day Rolling Average

	Emission Rate for a Unit first occurs on June 1, 2010, occurs again on June 2, 2010, and again on May 31, 2011, the total stipulated penalty assessed for these three violations would equal \$135,750).
i. Failure to comply with any applicable 365-Day Rolling Average Emission Rate for NOx, where the violation is equal to or greater than 5% but less than 10% in excess of the limits set forth in this Consent Decree.	\$450 per day of violation for a 365-Day Rolling Average Emission Rate violation, plus \$5,000 for each subsequent 365-Day Rolling Average Emission Rate violation that includes any day in a previously assessed 365-Day Rolling Average Emission Rate violation ( <i>e.g.</i> , if a violation of the 365-Day Rolling Average Emission Rate for a Unit first occurs on June 1, 2010, occurs again on June 2, 2010, and again on May 31, 2011, the total stipulated penalty assessed for these three violations would equal \$174,250).
j. Failure to comply with any applicable 365-Day Rolling Average Emission Rate for NOx, where the violation is equal to or greater than 10% in excess of the limits set forth in this Consent Decree.	\$600 per day of violation for a 365-Day Rolling Average Emission Rate violation, plus \$6,000 for each subsequent 365-Day Rolling Average Emission Rate violation that includes any day in a previously assessed 365-Day Rolling Average Emission Rate violation ( <i>e.g.</i> , if a violation of the 365-Day Rolling Average Emission Rate for a Unit first occurs on June 1, 2010, occurs again on June 2, 2010, and again on May 31, 2011, the total stipulated penalty assessed for these three violations would equal \$231,000).
k. Failure to comply with the Annual Tonnage Limits	\$5,000 per ton for the first 1000 tons, and \$10,000 per ton for each

for SO <sub>2</sub> .	additional ton above 1000 tons. In addition, NIPSCO shall Surrender, pursuant to the procedures set forth in Paragraph 86, SO <sub>2</sub> Allowances in an amount equal to two times the number of tons by which the limitation was exceeded
l. Failure to comply with the Annual Tonnage Limits for NO <sub>x</sub> .	\$5,000 per ton for the first 1000 tons, and \$10,000 per ton for each additional ton above 1000 tons. In addition, NIPSCO shall Surrender, pursuant to the procedures set forth in Paragraph 71, NO <sub>x</sub> Allowances in an amount equal to two times the number of tons by which the limitation was exceeded.
m. Operation of a Unit required under this Consent Decree to be equipped with any NO <sub>x</sub> , SO <sub>2</sub> , or PM control device without the operation of such device, to the extent operation of that control device is required under this Consent Decree.	\$10,000 per day per violation during the first 30 days, \$27,500 per day per violation thereafter
n. Failure to install or operate CEMS as required in this Consent Decree.	\$1,000 per day per violation
o. Failure to conduct performance tests of PM emissions, as required in this Consent Decree.	\$1,000 per day per violation
p. Failure to apply for any permit, or amendment or application therefor, required by Section XIX (Permits and SIP Revisions).	\$1,000 per day per violation
q. Failure to timely submit, modify, or implement, as approved, the reports, plans, studies, analyses, protocols, or other submittals required by this Consent Decree.	\$750 per day per violation during the first ten days, \$1,000 per day per violation thereafter
r. Selling or trading NO <sub>x</sub> Allowances except as permitted by Section IV. D (Use and Surrender of NO <sub>x</sub> Allowances).	The surrender of NO <sub>x</sub> Allowances in an amount equal to four times the number of NO <sub>x</sub> Allowances used, sold, or transferred in violation of this Consent Decree
s. Selling or trading SO <sub>2</sub> Allowances except as permitted	The surrender of SO <sub>2</sub> Allowances

by Section V.D (Use and Surrender of SO <sub>2</sub> Allowances).	in an amount equal to four times the number of SO <sub>2</sub> Allowances used, sold, or transferred in violation of this Consent Decree
t. Failure to Surrender NO <sub>x</sub> Allowances as required by Paragraph 71.	(a) \$27,500 per day plus (b) \$1,000 per NO <sub>x</sub> Allowance not surrendered
u. Failure to Surrender SO <sub>2</sub> Allowances as required by Paragraph 86.	(a) \$27,500 per day plus (b) \$1,000 per SO <sub>2</sub> Allowance not surrendered
v. Failure to demonstrate the third-party Surrender of an NO <sub>x</sub> Allowance in accordance with Paragraphs 72 and 73.	\$2,500 per day per violation
w. Failure to demonstrate the third-party surrender of an SO <sub>2</sub> Allowance in accordance with Paragraphs 87 and 88.	\$2,500 per day per violation
x. Failure to undertake and complete any of the Environmental Mitigation Projects in compliance with Section X (Environmental Mitigation Projects) of this Consent Decree.	\$1,000 per day per violation during the first 30 days, \$5,000 per day per violation thereafter
y. Failure to notify EPA of its decision to adopt any NO <sub>x</sub> or SO <sub>2</sub> Option pursuant to Tables 1 and 5.	\$1,000 per day per violation
z. Violating an applicable PM Emission Rate based on the results of a stack test required pursuant to Paragraph 94 of this Consent Decree, where the violation is less than 5% in excess of the limit set forth in this Consent Decree.	\$2,500 per day, starting on the day a stack test result demonstrates a violation and continuing each day thereafter until and excluding such day on which a subsequent stack test* demonstrates compliance with the applicable PM Emission Rate
aa. Violating an applicable PM Emission Rate based on the results of a stack test required pursuant to Paragraph 94 of this Consent Decree, where the violation is equal to or greater than 5% but less than 10% in excess of the limit set forth in this Consent Decree.	\$5,000 per day, starting on the day a stack test result demonstrates a violation and continuing each day thereafter until and excluding such day on which a subsequent stack test* demonstrates compliance with the applicable PM Emission

	Rate
bb. Violating an applicable PM Emission Rate based on the results of a stack test required pursuant to Paragraph 94 of this Consent Decree, where the violation is equal to or greater than 10% in excess of the limits set forth in this Consent Decree.	\$10,000 per day, starting on the day a stack test result demonstrates a violation and continuing each day thereafter until and excluding such day on which a subsequent stack test* demonstrates compliance with the applicable PM Emission Rate
cc. Failure to optimize ESP or Baghouse pursuant to Paragraph 91.	\$2,500 per day
dd. Any other violation of this Consent Decree	\$1,000 per day per violation

\*NIPSCO shall not be required to make any submission, including any notice or test protocol, or to obtain any approval to or from EPA or IDEM in advance of conducting such a subsequent stack test.

135) Violations of any limit based on a 30-Day Rolling Average constitute thirty (30) days of violation, but where such a violation (for the same pollutant and from the same Unit) recurs within periods less than thirty (30) Operating Days, NIPSCO shall not be obligated to pay a daily stipulated penalty for any day of the recurrence for which a stipulated penalty has already been paid.

136) Violations of any limit based on a 365-Day Rolling Average constitute 365 days of violation, but where such a violation (for the same pollutant and from the same Unit) recurs within periods less than 365 Operating Days, NIPSCO shall not be obligated to pay a daily stipulated penalty for any day of the recurrence for which a stipulated penalty has already been paid.

137) A violation of the Monthly SO<sub>2</sub> Removal Efficiency for a given Calendar Month shall constitute a violation on each day within the Month. For clarity, if NIPSCO Surrenders SO<sub>2</sub> allowances pursuant to Paragraph 79 of this Consent Decree as a means to

comply with the Monthly SO<sub>2</sub> Removal Efficiency requirement, there is no Monthly SO<sub>2</sub> Removal Efficiency violation.

138) All stipulated penalties shall begin to accrue on the day after the performance is due or on the day a violation occurs, whichever is applicable, and shall continue to accrue until performance is satisfactorily completed or until the violation ceases, whichever is applicable. Nothing in this Consent Decree shall prevent the simultaneous accrual of separate stipulated penalties for separate violations of this Consent Decree.

139) NIPSCO shall pay all stipulated penalties to the United States within thirty (30) days of receipt of written demand to NIPSCO from the United States, and shall continue to make such payments every thirty (30) days thereafter until the violation(s) no longer continues, unless NIPSCO elects within twenty (20) days of receipt of written demand to NIPSCO from the United States to dispute the obligation to pay or the accrual of stipulated penalties in accordance with the provisions in Section XVIII (Dispute Resolution) of this Consent Decree.

140) Stipulated penalties shall continue to accrue as provided in accordance with Paragraph 134 during any dispute, with interest on accrued stipulated penalties payable and calculated at the rate established by the Secretary of the Treasury, pursuant to 28 U.S.C. § 1961, but need not be paid until the following:

- a. If the dispute is resolved by agreement, or by a decision of Plaintiffs pursuant to Section XVIII (Dispute Resolution) of this Consent Decree that is not appealed to the Court, accrued stipulated penalties agreed or determined to be owing, together with accrued interest, shall be paid

within thirty (30) days of the effective date of the agreement or of the receipt of Plaintiffs' decision;

- b. If the dispute is appealed to the Court and Plaintiffs prevail in whole or in part, NIPSCO shall, within sixty (60) days of receipt of the Court's decision or order, pay all accrued stipulated penalties determined by the Court to be owing, together with interest accrued on such penalties determined by the Court to be owing, except as provided in subparagraph (c) of this Paragraph; or
- c. If the Court's decision is appealed by any Party, NIPSCO shall, within fifteen (15) days of receipt of the final appellate court decision, pay all accrued stipulated penalties determined to be owing, together with interest accrued on such stipulated penalties determined to be owing by the appellate court.

Notwithstanding any other provision of this Consent Decree, the accrued stipulated penalties agreed by Plaintiffs and NIPSCO, or determined by Plaintiffs through Dispute Resolution, to be owing may be less than the stipulated penalty amounts set forth in Paragraph 134.

141) All stipulated penalties shall be paid in the manner set forth in Section XI (Civil Penalty) of this Consent Decree.

142) Should NIPSCO fail to pay stipulated penalties in compliance with the terms of this Consent Decree, the United States shall be entitled to collect interest on such penalties, as provided for in 28 U.S.C. § 1961.

143) The stipulated penalties provided for in this Consent Decree shall be in addition to any other rights, remedies, or sanctions available to the United States or the State of Indiana by reason of NIPSCO's failure to comply with any requirement of this Consent Decree or applicable law, except that for any violation of this Consent Decree (for which this Consent Decree provides for payment of a stipulated penalty) that is also a violation of the Act, including the implementing Title V operating permit program, regulations EPA has approved and/or promulgated under the Act, the Indiana SIP, including Indiana regulations under 326 IAC Article 2, or of an operable Title V permit, NIPSCO shall be allowed a credit for stipulated penalties paid against any statutory or regulatory penalties also imposed for such violation.

#### **XVI. FORCE MAJEURE**

144) For purposes of this Consent Decree, a "Force Majeure Event" shall mean an event that has been or will be caused by circumstances beyond the control of NIPSCO, its contractors, or any entity controlled by NIPSCO that delays compliance with any provision of this Consent Decree or otherwise causes a violation of any provision of this Consent Decree despite NIPSCO's best efforts to fulfill the obligation. "Best efforts to fulfill the obligation" include using best efforts to anticipate any potential Force Majeure Event and to address the effects of any such event: (a) as it is occurring; and (b) after it has occurred, such that the delay and violation are minimized to the greatest extent possible and the emissions during such event are minimized to the greatest extent possible. Specific references to Force Majeure in other parts of this Consent Decree do not restrict the ability of NIPSCO to assert Force Majeure pursuant to the process described in this section. .

145) Notice of Force Majeure Events. If any event occurs or has occurred that may delay compliance with or otherwise cause a violation of any obligation under this Consent Decree, as to which NIPSCO intends to assert a claim of Force Majeure, NIPSCO shall notify Plaintiffs in writing as soon as practicable, but in no event later than fourteen (14) business days following the date NIPSCO first knew, or by the exercise of due diligence should have known, that the event caused or may cause such delay or violation. In this notice, NIPSCO shall reference this Paragraph of this Consent Decree and describe the anticipated length of time that the delay or violation may persist, the cause or causes of the delay or violation, all measures taken or to be taken by NIPSCO to prevent or minimize the delay or violation, the schedule by which NIPSCO proposes to implement those measures, and NIPSCO's rationale for attributing a delay or violation to a Force Majeure Event. A copy of this notice shall be sent electronically, as soon as practicable, to the U.S. Department of Justice, EPA, and IDEM. NIPSCO shall adopt all reasonable measures to avoid or minimize such delays or violations and any resulting emissions. NIPSCO shall be deemed to know of any circumstance which NIPSCO, its contractors, or any entity controlled by NIPSCO knew or should have known.

146) Failure to Give Notice. If NIPSCO fails to comply with the notice requirements of this Section, EPA may void NIPSCO's claim for Force Majeure as to the specific event for which NIPSCO has failed to comply with such notice requirement.

147) EPA's Response. EPA shall notify NIPSCO in writing regarding NIPSCO's claim of Force Majeure within twenty (20) business days of receipt of the notice provided under Paragraph 144. If EPA agrees that a delay in performance has been or will be caused by a Force Majeure Event, EPA and NIPSCO shall stipulate to an extension of

deadline(s) for performance of the affected compliance requirement(s) by a period equal to the delay actually caused by the event. In such circumstances, an appropriate modification shall be made pursuant to Section XXV (Modification) of this Consent Decree.

148) Disagreement. If EPA does not accept NIPSCO's claim of Force Majeure, or if EPA and NIPSCO cannot agree on the length of the delay actually caused by the Force Majeure Event, the matter shall be resolved in accordance with Section XVIII (Dispute Resolution) of this Consent Decree.

149) Burden of Proof. In any dispute regarding Force Majeure, NIPSCO shall bear the burden of proving that any delay in performance or any other violation of any requirement of this Consent Decree was caused by or will be caused by a Force Majeure Event. NIPSCO shall also bear the burden of proving that NIPSCO gave the notice required by this Section and the burden of proving the anticipated duration and extent of any delay(s) attributable to a Force Majeure Event. An extension of one compliance date based on a particular event may, but will not necessarily, result in an extension of a subsequent compliance date.

150) Events Excluded. Unanticipated or increased costs or expenses associated with the performance of NIPSCO's obligations under this Consent Decree shall not constitute a Force Majeure Event.

151) Potential Force Majeure Events. The Parties agree that, depending upon the circumstances related to an event and NIPSCO's response to such circumstances, the kinds of events listed below are among those that could qualify as Force Majeure Events within the meaning of this Section: construction, labor, or equipment delays; failure of PureAir to agree to modify any contract regarding the operation of the FGD on Bailly Units

7 or 8; Malfunction of a Unit or emission control device; acts of God; acts of war or terrorism; and orders by a government official, government agency, other regulatory authority, or a regional transmission organization, acting under and authorized by applicable law, that directs NIPSCO to supply electricity in response to a system-wide (statewide or regional) emergency or to shut down a Unit or Units. Depending upon the circumstances and NIPSCO's response to such circumstances, failure of a permitting authority to issue a necessary permit in a timely fashion may constitute a Force Majeure Event where the failure of the permitting authority to act is beyond the control of NIPSCO and NIPSCO has taken all steps available to it to obtain the necessary permit, including, but not limited to: submitting a complete permit application; responding to requests for additional information by the permitting authority in a timely fashion; and accepting lawful permit terms and conditions after expeditiously exhausting any legal rights to appeal terms and conditions imposed by the permitting authority.

152) As part of the resolution of any matter submitted to this Court under Section XVIII (Dispute Resolution) of this Consent Decree regarding a claim of Force Majeure, Plaintiff and NIPSCO by agreement, or this Court by order, may in appropriate circumstances extend or modify the schedule for completion of work under this Consent Decree to account for the delay in the work that occurred as a result of any delay agreed to by the United States or approved by the Court. NIPSCO shall be liable for stipulated penalties for its failure thereafter to complete the work in accordance with the extended or modified schedule (provided that NIPSCO shall not be precluded from making a further claim of Force Majeure with regard to meeting any such extended or modified schedule).

## **XVII. AFFIRMATIVE DEFENSES**

153) Affirmative defense as to stipulated penalties for excess emissions occurring during Malfunctions. If any of NIPSCO's Units exceeds a unit-specific 30-Day Rolling Average Emission Rate, 30-Day Rolling Average Removal Efficiency, or Monthly SO<sub>2</sub> Removal Efficiency due to a Malfunction, NIPSCO, bearing the burden of proof, has an affirmative defense to stipulated penalties under this Consent Decree if NIPSCO complies with the reporting requirements of Paragraphs 156, and demonstrates all of the following:

- a. the excess emissions were caused by a sudden, unavoidable breakdown of technology, beyond NIPSCO's control;
- b. the excess emissions did not stem from any activity or event that could have been foreseen and avoided, or planned for, and could not have been avoided by better operation and maintenance practices;
- c. to the maximum extent practicable, the air pollution control equipment and processes were maintained and operated in a manner consistent with good practice for minimizing emissions;
- d. repairs were made in an expeditious fashion when NIPSCO knew or should have known that the applicable 30-Day Rolling Average Emission Rate, 30-Day Rolling Average Removal Efficiency or Monthly SO<sub>2</sub> Removal Efficiency was being or would be exceeded. Off-shift labor and overtime must have been utilized, to the greatest extent practicable, to ensure that such repairs were made as expeditiously as practicable;

- e. the amount and duration of the excess emissions (including any bypass) were minimized to the maximum extent practicable during periods of such emissions;
- f. all possible steps were taken to minimize the impact of the excess emissions on ambient air quality;
- g. all emission monitoring systems were kept in operation if at all possible;
- h. NIPSCO's actions in response to the excess emissions were documented by properly signed, contemporaneous operating logs, or other relevant evidence;
- i. the excess emissions were not part of a recurring pattern indicative of inadequate design, operation, or maintenance; and
- j. NIPSCO properly and promptly notified EPA as required by this Consent Decree.

154) Affirmative Defenses as to stipulated penalties for excess emissions occurring during startup or shutdown. If any of NIPSCO's Units exceed a unit-specific 30-Day or 365-Day Rolling Average Emission Rate, 30-Day Rolling Average Removal Efficiency, or Monthly SO<sub>2</sub> Removal Efficiency due to startup or shutdown, NIPSCO, bearing the burden of proof, has an affirmative defense to stipulated penalties under this Consent Decree if NIPSCO complies with the reporting requirements of Paragraphs 156, and demonstrates all of the following:

- a. The periods of excess emissions that occurred during startup and shutdown were short and infrequent and could not have been prevented through careful and prudent planning and design;

- b. The excess emissions were not part of a recurring pattern indicative of inadequate design, operation, or maintenance;
- c. If the emissions were caused by a bypass (an intentional diversion of control equipment), then the bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
- d. At all times, the facility was operated in a manner consistent with good practice for minimizing emissions;
- e. The frequency and duration of operation in startup or shutdown mode was minimized to the maximum extent practicable;
- f. All possible steps were taken to minimize the impact of the excess emissions on ambient air quality;
- g. All emission monitoring systems were kept in operation if at all possible;
- h. NIPSCO's actions during the period of excess emissions were documented by properly signed, contemporaneous operating logs, or other relevant evidence; and
- i. NIPSCO properly and promptly notified EPA as required by this Consent Decree.

155) If excess emissions occur due to a Malfunction during startup and/or shutdown, then those instances shall be treated as other Malfunctions subject to Paragraph 153.

156) NIPSCO shall provide notice to the United States in writing of NIPSCO's intent to assert an affirmative defense as to stipulated penalties for Malfunction, startup, or shutdown in NIPSCO's semi-annual progress reports as required by Paragraph 127(e).

This notice shall be submitted to EPA pursuant to the provisions of Section XXI (Notices).

The notice shall contain:

- a. The identity of each stack or other emission point where the excess emissions occurred;
- b. The magnitude of the excess emissions expressed in the units of the applicable emissions limitation and the operating data and calculations used in determining the magnitude of the excess emissions;
- c. The time and duration or expected duration of the excess emissions;
- d. The identity of the equipment from which the excess emissions emanated;
- e. The nature and cause of the emissions;
- f. The steps taken, if the excess emissions were the result of a Malfunction, to remedy the Malfunction and the steps taken or planned to prevent the recurrence of the Malfunctions;
- g. The steps that were or are being taken to limit the excess emissions; and
- h. If NIPSCO's permit contains procedures governing source operation during periods of startup, shutdown, or Malfunction and the excess emissions resulted from startup, shutdown, or Malfunction, a list of the steps taken to comply with the permit procedures.

157) A Malfunction, startup, or shutdown shall not constitute a Force Majeure Event unless the Malfunction, startup, or shutdown also meets the definition of a Force Majeure Event, as provided in Section XVI (Force Majeure).

## **XVIII. DISPUTE RESOLUTION**

158) The dispute resolution procedure provided by this Section shall be available to resolve all disputes arising under this Consent Decree, provided that the Party invoking such procedure has first made a good faith attempt to resolve the matter with the other Party.

159) The dispute resolution procedure required herein shall be invoked by one Party giving written notice to the other Party advising of a dispute pursuant to this Section. The notice shall describe the nature of the dispute and shall state the noticing Party's position with regard to such dispute. The Party receiving such a notice shall acknowledge receipt of the notice, and the Parties in dispute shall expeditiously schedule a meeting to discuss the dispute informally not later than fourteen (14) days following receipt of such notice.

160) Disputes submitted to dispute resolution under this Section shall, in the first instance, be the subject of informal negotiations among the disputing Parties. Such period of informal negotiations shall not extend beyond thirty (30) calendar days from the date of the first meeting among the disputing Parties' representatives unless they agree in writing to shorten or extend this period. During the informal negotiations period, the disputing Parties may also submit their dispute to a mutually agreed upon alternative dispute resolution ("ADR") forum if the Parties agree that the ADR activities can be completed within the 30-day informal negotiations period (or such longer period as the Parties may agree to in writing).

161) If the disputing Parties are unable to reach agreement during the informal negotiation period, Plaintiffs shall provide NIPSCO with a written summary of their

position regarding the dispute. The written position provided by Plaintiffs shall be considered binding unless, within forty-five (45) calendar days thereafter, NIPSCO seeks judicial resolution of the dispute by filing a petition with this Court. Plaintiffs may respond to the petition within forty-five (45) calendar days of filing. In their initial filings with the Court under this Paragraph, the disputing Parties shall state their respective positions as to the applicable standard of law for resolving the particular dispute. The Court shall decide all disputes pursuant to applicable principles of law for resolving such disputes.

162) The time periods set out in this Section may be shortened or lengthened upon motion to the Court of one of the Parties to the dispute, explaining the Party's basis for seeking such a scheduling modification.

163) This Court shall not draw any inferences nor establish any presumptions adverse to any disputing Party as a result of invocation of this Section or the disputing Parties' inability to reach agreement.

164) As part of the resolution of any dispute under this Section, in appropriate circumstances the disputing Parties may agree, or this Court may order, an extension or modification of the schedule for the completion of the activities required under this Consent Decree to account for the delay that occurred as a result of dispute resolution. NIPSCO shall be liable for stipulated penalties for its failure thereafter to complete the work in accordance with the extended or modified schedule, provided that NIPSCO shall not be precluded from asserting that a Force Majeure Event has caused or may cause a delay in complying with the extended or modified schedule.

## **XIX. PERMITS AND SIP REVISIONS**

165) Unless expressly stated otherwise in this Consent Decree, in any instance where otherwise applicable law or this Consent Decree requires NIPSCO to secure a permit to authorize construction or operation of any device contemplated herein, including all preconstruction, construction, and operating permits required under state law, NIPSCO shall make such application in a timely manner. EPA and the State of Indiana shall use their best efforts to review expeditiously all permit applications submitted by NIPSCO to meet the requirements of this Consent Decree.

166) Notwithstanding the previous paragraphs, nothing in this Consent Decree shall be construed to require NIPSCO to apply for, amend or obtain (1) a PSD or Nonattainment NSR permit or permit modification for any physical change in, or any change in the method of operation of, any NIPSCO System Unit that would give rise to claims resolved by Section XII (Resolution of Claims) of this Consent Decree; or (2) any Title V Permit or other operating permit or permit modification, or application therefore, related to or arising from any physical change in, or change in the method of operation of, any NIPSCO System Unit that would give rise to claims resolved by Section XII (Resolution of Claims) of this Consent Decree.

167) When permits are required as described in Paragraph 165, NIPSCO shall complete and submit applications for such permits to the appropriate authorities to allow time for all legally required processing and review of the permit request, including requests for additional information by the permitting authorities. Any failure by NIPSCO to submit a timely permit application for NIPSCO System Units shall bar any use by NIPSCO of

Section XVI (Force Majeure) of this Consent Decree, where a Force Majeure claim is based on permitting delays.

168) Notwithstanding the reference to Title V permits in this Consent Decree, the enforcement of such permits shall be in accordance with their own terms and the Act. The Title V permits shall not be enforceable under this Consent Decree, although any term or limit established by or under this Consent Decree shall be enforceable under this Consent Decree regardless of whether such term has or will become part of a Title V permit, subject to the terms of Section XXIX (Conditional Termination of Enforcement Under Decree) of this Consent Decree.

169) Within one hundred and eighty (180) days after the Date of Entry of this Consent Decree, NIPSCO shall amend any Title V permit application, or apply for modifications to its Title V permits to include a schedule for implementation of all Annual System Tonnage Limitations, as well as all Unit-specific performance, operational, maintenance, and control technology requirements established by this Consent Decree including, but not limited to, any required 30- or 365-Day Rolling Average Emission Rate or Removal Efficiency and the requirements pertaining to the Surrender of Allowances. Any modifications to the Title V permits or Title V permit applications pursuant to this Paragraph shall include a provision that recognizes that any noncompliance with Annual System Tonnage Limitation requirements constitutes a single violation for the NIPSCO System as a whole and does not create separate violations for each Unit or each facility within the NIPSCO System.

170) Within one (1) year from the Date of Entry of this Consent Decree, NIPSCO shall submit a written request that IDEM amend the Indiana SIP to incorporate all

of the following Consent Decree requirements: performance, operational, maintenance, and control technology requirements; emission rates; removal efficiencies; system-wide Annual Tonnage Limitations; allowance surrenders; limits on use of emission credits; and operation, maintenance and optimization requirements. Such request shall include not only requirements related to particular Units in the NIPSCO System but also those related to the NIPSCO System as a whole.

171) As soon as practicable, but in no event later than ninety (90) days after the Indiana SIP is amended to include the requirements set forth in Paragraph 170 above, NIPSCO shall file a complete application to IDEM to incorporate the requirements of the Indiana SIP, as amended, into the Title V operating permit for each Facility. In making such an application, NIPSCO shall request that the Title V operating permit for each Facility: (i) refer to the section of the amended Indiana SIP that incorporates the system-wide requirements to comply with the Annual System Tonnage Limitation for NO<sub>x</sub> in Table 4, and the Annual System Tonnage Limitation for SO<sub>2</sub> in Table 6; and (ii) include a provision that recognizes that any noncompliance with any Annual System Tonnage Limitation constitutes a single violation for the NIPSCO System as a whole and does not create separate violations for each Unit or each facility within the NIPSCO System. The requirement to comply with the system-wide Annual System Tonnage Limitations for NO<sub>x</sub> and SO<sub>2</sub> shall continue to apply after the termination of the Consent Decree.

172) NIPSCO shall provide Plaintiffs with a copy of its request for SIP amendment (as required in Paragraph 170, above) and its applications for Title V Permit modifications (as required in Paragraph 169 and 171, above), as well as a copy of any

permit proposed as a result of such application, to allow for timely participation in any public comment opportunity.

173) If NIPSCO sells or transfers to an entity unrelated to NIPSCO (“Third Party Purchaser”) part or all of its Ownership Interest in the NIPSCO System or individual Units, NIPSCO shall comply with the requirements of Section XXII (Sales or Transfers of Ownership Interests) with regard to such Unit or Units prior to any such sale or transfer unless, following any such sale or transfer, NIPSCO remains the holder of the federally enforceable permit for such facility.

**XX. INFORMATION COLLECTION AND RETENTION**

174) Any authorized representative of the United States, including its attorneys, contractors, and consultants, upon presentation of credentials, shall have a right of entry upon the premises of any facility in the NIPSCO System at any reasonable time for the purpose of:

- a. monitoring the progress of activities required under this Consent Decree;
- b. verifying any data or information submitted to the United States in accordance with the terms of this Consent Decree;
- c. obtaining samples and, upon request, splits of any samples taken by NIPSCO or its representatives, contractors, or consultants; and
- d. assessing NIPSCO’s compliance with this Consent Decree.

175) NIPSCO shall retain, and instruct its contractors and agents to preserve, all non-identical copies of all records and documents (including records and documents in electronic form) now in its or its contractors’ or agents’ possession or control, and that directly relate to NIPSCO’s performance of its obligations under this Consent Decree for

the following periods: (a) until December 31, 2023, for records concerning physical or operational modifications that are subject to reopener provisions of Section XII, Subsection B of this Consent Decree; and (b) until December 31, 2019, for all other records. This record retention requirement shall apply regardless of any corporate document retention policy to the contrary.

176) All information and documents submitted by NIPSCO pursuant to this Consent Decree shall be subject to any requests under applicable law providing public disclosure of documents unless: (a) the information and documents are subject to legal privileges or protection; or (b) NIPSCO claims and substantiates in accordance with 40 C.F.R. Part 2 that the information and documents contain confidential business information.

177) Nothing in this Consent Decree shall limit the authority of the EPA to conduct tests and inspections at NIPSCO's facilities under section 114 of the Act, 42 U.S.C. § 7414, or any other applicable federal or state laws, regulations or permits.

## **XXI. NOTICES**

178) Unless otherwise provided herein, whenever notifications, submissions, or communications are required by this Consent Decree, they shall be made in writing and addressed as follows:

As to the United States Department of Justice:

Chief, Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice  
P.O. Box 7611, Ben Franklin Station  
Washington, D.C. 20044-7611  
DJ# 90-5-2-1-08417

As to EPA:

Director, Air Enforcement Division  
Office of Enforcement and Compliance Assurance  
U.S. Environmental Protection Agency  
Ariel Rios Building [2242A]  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

and

George Czerniak  
Chief, Air Enforcement and Compliance Assurance Branch  
EPA Region 5 (AE-17J)  
77 West Jackson St.  
Chicago, IL 60604

As to the State of Indiana:

Phil Perry  
Indiana Department of Environmental Management  
Chief, Air Compliance Branch  
100 North Senate Avenue  
MC-61-53, IGCN 1003  
Indianapolis, IN 46204-2251

As to the Northern Indiana Public Service Company:

Vice President, Operations  
NIPSCO  
801 East 86<sup>th</sup> Ave.  
Merrillville, IN 46410

and

Chief Legal Officer  
NiSource, Inc.  
801 East 86<sup>th</sup> Ave.  
Merrillville, IN 46410

179) All notifications, communications or submissions made pursuant to this Section shall be sent either by: (a) overnight mail or overnight delivery service; or (b) certified or registered mail, return receipt requested. All notifications, communications and transmissions sent by overnight, certified or registered mail shall be deemed submitted on the date they are postmarked. If sent by overnight delivery service, they shall be deemed submitted on the date they are delivered to the delivery service.

180) Any Party may change the notice recipient, the address for providing notices or the means of transmittal to it by serving the other Party with a notice setting forth such new notice recipient, such new address or such changed means of transmittal (e.g., to electronic format).

## **XXII. SALES OR TRANSFERS OF OWNERSHIP INTERESTS**

181) If NIPSCO proposes to sell or transfer any Ownership Interest in any System Unit to an entity unrelated to NIPSCO (“Third Party Purchaser”), it shall advise the Third Party Purchaser in writing of the existence of this Consent Decree prior to such sale or transfer, and shall send a copy of such written notification to Plaintiffs pursuant to Section XXI (Notices) of this Consent Decree at least sixty (60) days before such proposed sale or transfer.

182) No sale or transfer of an Ownership Interest shall take place before the Third Party Purchaser and EPA have executed, and the Court has approved, a modification pursuant to Section XXV (Modification) of this Consent Decree making the Third Party Purchaser a party to this Consent Decree and jointly and severally liable with NIPSCO for all the requirements of this Decree that may be applicable to the transferred or purchased Ownership Interests.

183) This Consent Decree shall not be construed to impede the transfer of any Ownership Interests between NIPSCO and any Third Party Purchaser so long as the requirements of this Consent Decree are met. This Consent Decree shall not be construed to prohibit a contractual allocation as between NIPSCO and any Third Party Purchaser of Ownership Interests of the burdens of compliance with this Decree, provided that both NIPSCO and such Third Party Purchaser shall remain jointly and severally liable to EPA for the obligations of the Decree applicable to the transferred or purchased Ownership Interests.

184) If EPA agrees, EPA, NIPSCO, and the Third Party Purchaser that has become a party to this Consent Decree, pursuant to Paragraph 182, may execute a modification that relieves NIPSCO of its liability under this Consent Decree for, and makes the Third Party Purchaser liable for, all obligations and liabilities applicable to the purchased or transferred Ownership Interests. Notwithstanding the foregoing, however, NIPSCO may not assign, and may not be released from, any obligation under this Consent Decree that is not specific to the purchased or transferred Ownership Interests, including the obligations set forth in Sections X (Environmental Mitigation Projects) and XI (Civil Penalty). NIPSCO may propose and EPA may agree to restrict the scope of the joint and several liability of any purchaser or transferee for any obligations of this Consent Decree that are not specific to the transferred or purchased Ownership Interests, to the extent such obligations may be adequately separated in an enforceable manner.

185) Paragraphs 182 and 184 of this Consent Decree does not apply if an Ownership Interest is sold or transferred solely as collateral security in order to consummate a financing arrangement (not including a sale-leaseback), so long as NIPSCO:

(a) remains the operator (as that term is used and interpreted under the Clean Air Act) of the NIPSCO System Units; (b) remains subject to and liable for all obligations and liabilities of this Consent Decree; and (c) supplies Plaintiffs with the following certification within 30 days of the sale or transfer:

Certification of Change in Ownership Interest Solely for Purpose of Consummating Financing. We, the Chief Executive Officer and General Counsel of the Northern Indiana Public Service Co., jointly certify under Title 18 U.S.C. section 1001, on our own behalf and on behalf of Northern Indiana Public Service Co. (“NIPSCO”), that any change in NIPSCO’s Ownership Interest in any Unit that is caused by the sale or transfer as collateral security of such Ownership Interest in such Unit(s) pursuant to the financing agreement consummated on [insert applicable date] between NIPSCO and [insert applicable entity]: (a) is made solely for the purpose of providing collateral security in order to consummate a financing arrangement; (b) does not impair NIPSCO’s ability, legally or otherwise, to comply timely with all terms and provisions of the Consent Decree entered in *United States of America v. Northern Indiana Public Service Co.*, Civil Action No. \_\_\_\_\_; c) does not affect NIPSCO’s operational control of any Unit covered by that Consent Decree in a manner that is inconsistent with NIPSCO’s performance of its obligations under the Consent Decree; and d) in no way affects the status of NIPSCO’s obligations or liabilities under that Consent Decree.

### **XXIII. EFFECTIVE DATE**

186) The effective date of this Consent Decree shall be the Date of Entry as defined by Paragraph 19. If this Consent Decree is not entered by the Court in the form presented to the Court or the United States or the State of Indiana withhold consent to this Consent Decree before filing, its terms shall be null and void and the Parties shall have no obligation or rights hereunder and the terms of this Consent Decree shall not be used as evidence in any litigation between or among the parties to the Consent Decree.

### **XXIV. RETENTION OF JURISDICTION**

187) The Court shall retain jurisdiction of this case after entry of this Consent Decree to enforce compliance with the terms and conditions of this Consent Decree and to

take any action necessary or appropriate for its interpretation, construction, execution, modification, or adjudication of disputes. During the term of this Consent Decree, any Party to this Consent Decree may apply to the Court for any relief necessary to construe or effectuate this Consent Decree.

**XXV. MODIFICATION**

188) The terms of this Consent Decree may be modified only by a subsequent written agreement signed by the Plaintiffs and NIPSCO. Where the modification constitutes a material change to any term of this Consent Decree, it shall be effective only upon approval by the Court.

**XXVI. GENERAL PROVISIONS**

189) This Consent Decree is not a permit. Compliance with the terms of this Consent Decree does not guarantee compliance with all applicable federal, state, or local laws or regulations. The emission rates set forth herein do not relieve Defendant from any obligation to comply with other state and federal requirements under the Clean Air Act, including Defendant's obligation to satisfy any state modeling requirements set forth in the Indiana State Implementation Plan.

190) This Consent Decree does not apply to any claim(s) of alleged criminal liability.

191) In any subsequent administrative or judicial action initiated by Plaintiffs for injunctive relief or civil penalties relating to the facilities covered by this Consent Decree, Defendant shall not assert any defense or claim based upon principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, or claim splitting, or any other defense based upon the contention that the claims raised by Plaintiffs in the

subsequent proceeding were brought, or should have been brought, in the instant case; provided, however, that nothing in this Paragraph is intended to affect the validity of Section XII (Resolution of Claims).

192) Except as specifically provided by this Consent Decree, nothing in this Consent Decree shall relieve Defendant of its obligation to comply with all applicable federal, state, and local laws and regulations. Subject to the provisions in Sections XII (Resolution of Claims), nothing contained in this Consent Decree shall be construed to prevent or limit the rights of Plaintiffs to obtain penalties or injunctive relief under the Act or other federal, state, or local statutes, regulations, or permits.

193) Every term expressly defined by this Consent Decree shall have the meaning given to that term by this Consent Decree and, except as otherwise provided in this Consent Decree, every other term used in this Consent Decree that is also a term under the Act or the regulations implementing the Act shall mean in this Consent Decree what such term means under the Act or those implementing regulations.

194) Nothing in this Consent Decree is intended to, or shall, alter or waive any applicable law (including but not limited to any defenses, entitlements, challenges, or clarifications related to the Credible Evidence Rule, 40 C.F.R. § 52.12(c) (62 Fed. Reg. 8314; Feb. 24, 1997)) concerning the use of data for any purpose under the Act.

195) Each limit and/or other requirement established by or under this Consent Decree is a separate, independent requirement.

196) Performance standards, emissions limits, and other quantitative standards set by or under this Consent Decree must be met to the number of significant digits in which the standard or limit is expressed. For example, an Emission Rate of 0.070

lb/mmBTU is not met if the actual Emission Rate is 0.071 lb/mmBTU. NIPSCO shall round the fourth significant digit to the nearest third significant digit, or the third significant digit to the nearest second significant digit, depending upon whether the limit is expressed to three or two significant digits. For example, if an actual Emission Rate is 0.0704, that shall be reported as 0.070, and shall be in compliance with an Emission Rate of 0.070, and if an actual Emission Rate is 0.0705, that shall be reported as 0.071, and shall not be in compliance with an Emission Rate of 0.070. NIPSCO shall report data to the number of significant digits in which the standard or limit is expressed.

197) This Consent Decree does not limit, enlarge or affect the rights of any Party to this Consent Decree as against any third parties.

198) This Consent Decree constitutes the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Decree, and supercedes all prior agreements and understandings among the Parties related to the subject matter herein. No document, representation, inducement, agreement, understanding, or promise constitutes any part of this Consent Decree or the settlement it represents, nor shall they be used in construing the terms of this Consent Decree.

199) Each Party to this action shall bear its own costs and attorneys' fees.

200) The Parties expressly recognize that whenever this Consent Decree specifies that a 30- Day Rolling Average Emission Rate or a 30-Day Rolling Average Removal Efficiency shall be achieved and/or maintained commencing or starting by or no later than a certain day or date, then compliance with such Rate or Removal Efficiency shall commence immediately upon the date specified, and that compliance as of such

specified date (e.g. December 30) shall be determined based on data from that date and the 29 prior Unit Operating Days (e.g. December 1-29).

201) The Parties expressly recognize that whenever this Consent Decree specifies that a Monthly SO<sub>2</sub> Removal Efficiency shall be achieved and/or maintained at Bailly commencing or starting by or no later than a certain month, then that certain month shall be the first month included in the specified Monthly SO<sub>2</sub> Removal Efficiency (e.g., where the Decree specifies that a 95% Monthly SO<sub>2</sub> Removal Efficiency is to be achieved and maintained no later than January 2011, then January 2011 shall be the first month included in the first Monthly SO<sub>2</sub> Removal Efficiency period, and no day or month prior to January 2011 shall be subject to the Monthly SO<sub>2</sub> Removal Efficiency requirement or included in any calculation to determine compliance with such removal efficiency).

202) The Parties expressly recognize that whenever this Consent Decree specifies that a 365-Day Rolling Average Emission Rate shall be achieved and/or maintained commencing or starting by, on, or no later than a certain day or date, then that certain day or date, if it is an Operating Day, or if it is not an Operating Day then the first Operating Day thereafter, shall be the first day subject to that specified 365-Day Rolling Average Emission Rate (e.g., if the specified 365-Day Rolling Average Emission Rate is to be achieved and maintained from January 1, 2014 through December 31, 2014, and January 1, 2014 is an Operating Day, then January 1, 2014 shall be the first day included in the first 365-Day Rolling Average Emission Rate period, and no day prior to January 1, 2014 shall be subject to that specified 365-Day Rolling Average Emission Rate requirement or included in any calculation to determine compliance with such rate).

**XXVII. SIGNATORIES AND SERVICE**

203) Each undersigned representative of the Parties certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Decree and to execute and legally bind to this document the Party he or she represents.

204) This Consent Decree may be signed in counterparts, and such counterpart signature pages shall be given full force and effect.

205) Each Party hereby agrees to accept service of process by mail with respect to all matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons.

206) Unless otherwise ordered by the Court, the Plaintiffs agree that the Defendant will not be required to file any answer or other pleading responsive to the Complaint in this matter until and unless the Court expressly declines to enter this Consent Decree, in which case Defendant shall have no less than thirty (30) days after receiving notice of such express declination to file an answer or other pleading in response to the Complaint.

**XXVIII. PUBLIC COMMENT**

207) The Parties agree and acknowledge that final approval by the United States and entry of this Consent Decree is subject to the procedures of 28 C.F.R. § 50.7, which provides for notice of the lodging of this Consent Decree in the Federal Register, an opportunity for public comment, and the right of the United States to withdraw or withhold consent if the comments disclose facts or considerations which indicate that the Consent Decree is inappropriate, improper or inadequate. Defendant shall not oppose entry of this

Consent Decree by this Court or challenge any provision of this Consent Decree unless the United States or the State of Indiana has notified Defendant, in writing, that the United States or the State of Indiana no longer supports entry of the Consent Decree.

**XXIX. CONDITIONAL TERMINATION OF ENFORCEMENT UNDER DECREE**

208) Termination as to Completed Tasks. As soon as NIPSCO completes a construction project or any other requirement of this Consent Decree that is not ongoing or recurring, NIPSCO may, by motion to this Court, seek termination of the provision or provisions of this Consent Decree that imposed the requirement.

209) Conditional Termination of Enforcement Through the Consent Decree.

After NIPSCO:

- a. has successfully completed construction, and has maintained operation, of all pollution controls as required by this Consent Decree;
- b. has obtained final permits and SIP revisions that incorporate the requirements of this Consent Decree, as enforceable permit terms or enforceable SIP terms, of all of the Unit performance and other requirements specified in Section XIX (Permits and SIP Revisions) of this Consent Decree; and
- c. certifies that the date is later than December 31, 2018, then NIPSCO may so certify these facts to Plaintiffs and this Court. If Plaintiffs do not object in writing with specific reasons within forty-five (45) days of receipt of NIPSCO's certification, then, for any Consent Decree violations that occur after the filing of notice, Plaintiffs shall pursue enforcement of the requirements contained in the Indiana SIP and Title V permit through the

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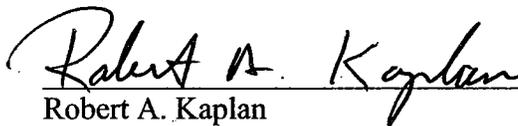
*United States of America*  
v.  
*Northern Indiana Public Service Co.*

**FOR THE UNITED STATES OF AMERICA:**



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Susan Hedman  
Regional Administrator  
United States Environmental Protection Agency Region 5



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Robert A. Kaplan  
Regional Counsel  
United States Environmental Protection Agency Region 5



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Louise C. Gross  
Associate Regional Counsel  
United States Environmental Protection Agency Region 5

**Signature Page for Consent Decree in:**

*United States of America*

v.

*Northern Indiana Public Service Co.*

**FOR THE UNITED STATES OF AMERICA:**

*Cynthia Giles 1/6/11*

Cynthia Giles  
Assistant Administrator  
Office of Enforcement and Compliance Assurance  
United States Environmental Protection Agency

*Phillip A. Brooks 12/20/10*

Phillip A. Brooks  
Director, Air Enforcement Division  
Office of Enforcement and Compliance Assurance  
United States Environmental Protection Agency

*Seema Kakade*

Seema Kakade  
Attorney Advisor, Air Enforcement Division  
Office of Enforcement and Compliance Assurance  
United States Environmental Protection Agency

**Signature Page for Consent Decree in:**

*United States of America*

v.

*Northern Indiana Public Service Co.*

**FOR THE UNITED STATES OF AMERICA:**

David Capp  
United States Attorney  
Northern District of Indiana

A handwritten signature in black ink, appearing to read "Wayne T. Ault", with a horizontal line drawn underneath it. To the right of the signature, the text "(6/8)" is written.

Wayne T. Ault  
Assistant United States Attorney  
5400 Federal Plaza, Suite 1500  
Hammond, Indiana 46320  
Phone: 219-937-5500  
Facsimile: 219-937-5547  
Email: wayne.ault@usdoj.gov

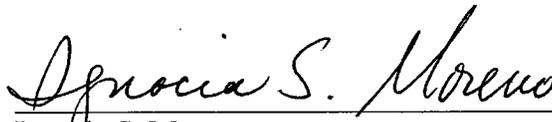
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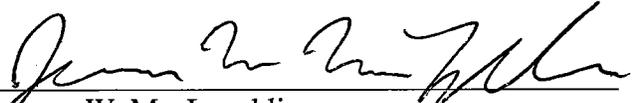
v.

*Northern Indiana Public Service Co.*

**FOR THE UNITED STATES OF AMERICA:**



Ignacia S. Moreno  
Assistant Attorney General  
Environmental and Natural Resources Division  
United States Department of Justice



Jerome W. MacLaughlin  
Trial Attorney  
Environmental Enforcement Section  
Environmental and Natural Resources Division  
United States Department of Justice  
P.O. Box 7611  
Washington, D.C. 20044-7611  
Phone: 202-616-7162  
Facsimile: 202-616-2427  
Email: [jerry.maclaughlin@usdoj.gov](mailto:jerry.maclaughlin@usdoj.gov)

Indiana SIP and applicable Title V permit, and not through this Consent Decree.

210) Resort to Enforcement Under this Consent Decree. Notwithstanding Paragraph 209 above, if enforcement of a provision in this Consent Decree cannot be pursued by a party under the Indiana SIP or applicable Title V permit, or if a Consent Decree requirement was intended to be part of the Indiana SIP or the applicable Title V Permit and did not become or remain part of such SIP or permit, then such requirement may be enforced under the terms of this Consent Decree at any time.

**XXX. FINAL JUDGMENT**

211) Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment among Plaintiffs and NIPSCO.

**SO ORDERED, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.**

\_\_\_\_\_

HONORABLE \_\_\_\_\_

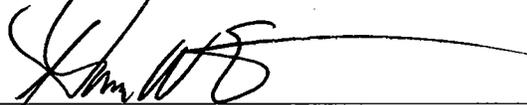
UNITED STATES DISTRICT COURT JUDGE

**Signature Page for Consent Decree in:**

*United States of America*  
v.  
*Northern Indiana Public Service Co.*

**FOR THE STATE OF INDIANA:**

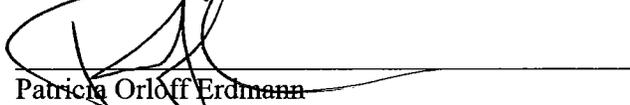
FOR THE STATE OF INDIANA,  
ON BEHALF OF THE INDIANA DEPARTMENT OF  
ENVIRONMENTAL MANAGEMENT



Thomas W. Easterly  
Commissioner  
Indiana Department of Environmental Management

As to form and legality:

Gregory F. Zoeller  
Indiana Attorney General



Patricia Orloff Erdmann  
Chief Counsel for Litigation  
Office of the Attorney General  
Indiana Government Center South  
5<sup>th</sup> Floor  
302 West Washington Street  
Indianapolis, Indiana 46204

## **APPENDIX A: ENVIRONMENTAL MITIGATION PROJECTS**

In compliance with and in addition to the requirements in Section XI of this Consent Decree (Environmental Mitigation Projects), NIPSCO shall comply with the requirements of this Appendix to ensure that the benefits of the \$9.5 million in federally directed Environmental Mitigation Projects (Projects) are achieved.

### **I. Overall Environmental Projects Schedule**

A. Within the specified time delineated for each Project, as further described below, NIPSCO shall submit proposed Project plan(s) to EPA for review and approval pursuant to Section XIV of the Consent Decree (Review and Approval of Submittals) for expenditure of the Project Dollars specified in this Appendix in accordance with the deadlines established in this Appendix. EPA shall determine, prior to approval, that all Projects are consistent with federal law.

B. Beginning one hundred and twenty (120) days from the Date of Entry, and continuing annually thereafter until completion of each Project (including any applicable periods of demonstration or testing), NIPSCO shall provide EPA with written reports detailing the progress of each Project, including an accounting of Project Dollars spent to date.

C. All proposed Project plans shall include the following:

1. A plan for implementing the Project;
2. A summary-level budget for the Project;
3. A time-line for implementation of the Project; and
4. A description of the anticipated environmental benefits of the Project, including an estimate of emission reductions (e.g., SO<sub>2</sub>, NO<sub>x</sub>, PM, CO<sub>2</sub>) expected to be realized.

D. Upon approval by EPA of the plan(s) required by this Appendix, NIPSCO shall complete the approved Project(s) according to the approved plan(s). Nothing in this Consent Decree shall be interpreted to prohibit NIPSCO from completing the Project(s) ahead of schedule.

E. In accordance with the requirements of Paragraph 114, within 60 days following the completion of each Project, NIPSCO shall submit to EPA for approval a report that documents:

1. The date the Project was completed;
2. The results of implementation of the Project, including the estimated emission reductions or other environmental benefits achieved; and
3. The Project Dollars incurred by NIPSCO in implementing the Project.

## II. Environmental Mitigation Projects

### A. Clean Diesel Retrofit Project

1. Within 120 day of the Date of Entry, NIPSCO shall propose to EPA for review and approval a plan, in consultation with IDEM, to retrofit in-service diesel engines with emission control equipment further described in this Section, designed to reduce emissions of particulates and/or ozone precursors (the “Clean Diesel Retrofit Project”) and to fund the operation and maintenance of the retrofit equipment for the time-period described below. The Project shall include, where necessary, techniques and infrastructure needed to support such retrofits. NIPSCO shall ensure, or direct any third party contractor or partner to ensure, that the recipients operate and maintain the retrofit equipment for five years from the date of installation by providing funding for operation and maintenance as described in Section II.A.2.g, below.

2. In addition to the requirements of Section I. C. of this Appendix, the plan shall also satisfy the following criteria:

- a. Involve vehicles based in and equipment located in NIPSCO’s service territory in northern Indiana, bordered by the cities of Gary-Hammond, Michigan City, South Bend-Elkhart, and Fort Wayne.
- b. Provide for the retrofit of public diesel engines with EPA or California Air Resources Board (“CARB”) verified emissions control technologies to achieve the greatest reasonably possible mass reductions of particulates and/or ozone precursors for the fleet(s) that participate(s) in the Clean Diesel Retrofit Project. Depending upon the particular EPA or CARB verified emissions control technology selected, the retrofit diesel engines will be expected to achieve emission reductions of particulates and/or ozone precursors by 30%-90%.
- c. Describe the process NIPSCO will use to determine the most appropriate emissions control technology for each particular diesel engine that will achieve the greatest reasonably possible mass reduction of particulates and/or ozone precursors. In making this determination, NIPSCO must take into account the particular operating criteria required for the EPA or CARB verified emissions control technology to achieve the verified emissions reductions.
- d. Provide for the retrofit of diesel engines with either: (a) diesel particulate filters (DPF); (b) diesel oxidation catalysts (DOC); or (c) closed crankcase ventilation systems with either DPF or DOC.
- e. Describe the process NIPSCO will use to notify fleet operators and owners within the geographic area specified in Section II.A.2.a that their fleet of vehicles may be eligible to participate in the Clean Diesel Retrofit Project and to solicit their interest in participating in the Project.

f. Describe the process and criteria NIPSCO will use to select the particular fleet operator and owner to participate in this Project, consistent with the requirements of this Section.

g. For each of the recipient fleet owners and operators, describe the amount of Project Dollars that will cover the costs associated with: (a) purchasing the verified emissions control technology, (b) installation of the verified emissions control technology (including datalogging), (c) training costs associated with repair and maintenance of the verified emissions control technology (including technology cleaning and proper disposal of waste generated from cleaning), and (d) the incremental costs for repair and maintenance of the retrofit equipment (i.e., DPF, DOC, closed crankcase ventilation system) for five years from the date of installation, including the costs associated with the proper disposal of the waste generated from cleaning the verified emissions control technology. This Project shall not include costs for normal repair or operation of the retrofit diesel fleet. Include a mechanism to ensure that recipients of the retrofit equipment will bind themselves to follow the operating criteria required for the verified emissions control technology to achieve the verified emissions reductions and properly maintain the retrofit equipment installed in connection with the Project for the period beginning on the date the installation is complete through December 31, 2015.

h. Describe the process NIPSCO will use for determining which diesel engines in a particular fleet will be retrofitted with the verified emissions control technology, consistent with the criteria specified in Section II.A.2.b.

i. Ensure that recipient fleet owners and/or operators, or their funders, do not otherwise have a legal obligation to reduce emissions through the retrofit of diesel engines.

j. For any third party with whom NIPSCO might contract to carry out this Project, establish minimum standards that include prior experience in arranging retrofits, and a record of prior ability to interest and organize fleets, school districts, and community groups to join a clean diesel program.

k. Direct the recipient fleet(s) to comply with local, state, and federal requirements for the disposal of the waste generated from the verified emissions control technology and follow CARB's guidance for the proper disposal of such waste, provided however, that NIPSCO shall not be a guarantor of or responsible for the actions or omissions of the recipients.

l. Include a schedule and budget for completing each portion of the Project, including funding for operation and maintenance of the retrofit equipment through December 31, 2015.

3. In addition to the information required to be included in the report pursuant to Section I.C, NIPSCO shall also describe the fleet owner/operator; where it implemented this Project; the particular types of verified emissions control technology (and the number of each type) that it installed pursuant to this Project; the type, year, and horsepower of each vehicle; an estimate of the number of citizens affected (if applicable) by this Project, and the basis for this estimate; and an estimate of the emission reductions for Project or engine, as appropriate (using the manufacturer's estimated reductions for the particular verified emissions control technology), including particulates, hydrocarbons, carbon monoxide, and nitrogen oxides.

B. Wood Stove and Wood Outdoor Boiler Changeout Project

1. Within 120 days of the Date of Entry, NIPSCO shall propose a plan to sponsor a Wood-burning Changeout and Retrofit Project ("Wood Stove/Boiler Changeout and Retrofit Project") that a state or local government agency ("air pollution control agency") or third-party non-profit will agree to implement in an area that would benefit from reductions of fine particle pollution and/or hazardous air pollutants by replacing, or retrofitting or upgrading inefficient, higher polluting wood-burning stoves and outdoor boilers with Energy Star qualified Heat Pumps, EPA Phase 2 hydronic heaters, natural gas boilers of 90% or higher AFUE, natural gas furnaces of 92% or higher AFUE or EPA-certified wood-stoves and/or cleaner burning, more energy-efficient hearth appliances (e.g., wood pellet, gas, or propane stove).

2. Any Wood Stove/Boiler Changeout and Retrofit Project that NIPSCO sponsors shall provide educational information (including, energy efficiency, health and safety benefits, and outreach regarding cleaner-burning alternatives and proper operation of the new technology) and incentives through rebates, discounts, or in some instances, actual replacement of the old technology wood-burning stoves or boilers for income-qualified residential homeowners, to encourage residential homeowners to replace their old, higher polluting and less energy efficient wood stoves or outdoor boilers.

3. NIPSCO shall sponsor the implementation of any Wood Stove/Boiler Changeout and Retrofit Project in NIPSCO's service area(s) in northern Indiana, bordered by the cities of Gary-Hammond, Michigan City, South Bend-Elkhart, and Fort Wayne that promise significant environmental benefit from the Wood Stove/Boiler Changeout and Retrofit Project. The Wood Stove/Boiler Changeout and Retrofit Project shall also include the counties of LaPorte, Lake, and Porter. In determining the specific areas to implement this Project within the aforementioned geographic area, NIPSCO shall give priority to areas with high amounts of air pollution, especially particle pollution and/or hazardous air pollutants, areas located within a geography and topography that makes it susceptible to high levels of particle pollution, or areas that have a significant number of old and/or higher polluting wood-burning stoves or outdoor boilers.

4. The air pollution control agency(ies) and/or non-profit(s) that NIPSCO selects shall consult with EPA's wood smoke team and implement any Wood Stove/Boiler Changeout and Retrofit Project consistent with the materials available on EPA's Burn

Wise website at <http://www.epa.gov/burnwise>.

5. In addition to the requirements of Section I.C , any plan to implement this Project shall also satisfy the following criteria:

- a. Identify the air pollution control agency(ies) and/or non-profit(s) selected to implement the Wood Stove/Boiler Changeout and Retrofit Project.
- b. Describe the schedule and budgetary increments in which NIPSCO shall provide the necessary funding to the air pollution control agency(ies) and/or non-profits(s) to implement any Wood Stove/Boiler Changeout and Retrofit Project.
- c. Ensure that the air pollution control agency(ies) and/or non-profit(s) will implement any Wood Stove/Boiler Changeout and Retrofit Project in accordance with the requirements of this Appendix, and that the Project Dollars will be used to support the actual replacement, upgrade or retrofit of stoves/boilers currently used as the primary or secondary source of residential heat with a cleaner, more energy efficient stove/boiler (i.e., geothermal heat pump, wood pellet stove, EPA-certified wood stove, gas stove, EPA Phase 2 qualified hydronic heater, natural gas boiler of 90% or higher AFUE, natural gas furnace of 92% or higher AFUE or propane stove). To enable the project to carry on in the future, funds may be used to support changeout/upgrades through revolving loan programs or other low-interest loan programs. NIPSCO shall limit the use of Project Dollars for administrative costs associated with implementation of the program to no greater than 10% of the Project Dollars NIPSCO provides to a specific air pollution control agency and/or non-profit. Up to 7% can be used for personnel cost and the remaining 3 % for other (e.g., outreach materials, training, studies/surveys, travel) project support costs.
- d. Describe all of the elements of any Wood Stove/Boiler Changeout and Retrofit Project that the air pollution control agency(ies) and/or nonprofit(s) will implement. NIPSCO shall describe and estimate the number of energy efficient appliances it intends to make available, the cost per unit, and the criteria the air pollution control agency(ies) and/or nonprofit(s) will use to determine which residential homeowners should be eligible for actual stove replacement.
- e. If applicable, identify any organizations with which the air pollution control agency(ies) and/or non-profit(s) will partner to implement the Project, including such organizations as: the Hearth, Patio, and Barbecue Association of America, the Chimney Safety Institute of America, a local chapter of the American Lung Association, individual stove retailers, propane dealers, facilities that will dispose of old stoves so that they cannot be resold or reused, housing assistance agencies, local fire departments, local health organizations, and local green energy organizations.

- f. Describe how the air pollution control agency(ies) and/or non-profit(s) will ensure that the old and/or higher polluting wood-burningstove/boiler will be properly recycled or disposed.

C. Land Acquisition and Restoration Project in Northwest Indiana

1. Within 45 days from the Date of Entry, NIPSCO shall establish a stakeholder process to solicit input into the funding of land acquisition or restoration Project(s) of lands adjacent to, or near, the Indiana Dunes National Lakeshore, and may include other lands in the northwest Indiana area, potentially affected by emissions from one or more of the NIPSCO Units. The stakeholder process will consist of a maximum of five members and, at minimum, shall include a representative from The Indiana Dunes National Lakeshore, a representative from Indiana Department of Natural Resources, and a representative from an environmental organization such as the Nature Conservancy.
2. The goal of this Project will be the protection through acquisition and/or restoration of ecologically significant land, watersheds, vegetation, and forests within northwest Indiana using adaptive management techniques designed to improve ecosystem health and mitigate harmful effects from air pollution. For purposes of this Appendix and Section XI of this Consent Decree (Environmental Mitigation Projects), land acquisition means purchase or transfer of interests in land, including fee ownership, easements, or other restrictions that run with the land that provide for perpetual protection of the acquired land. The transfer of property or land interests by NIPSCO to any governmental or nongovernmental organization shall be credited at fair market value and must provide for perpetual protection of the land. Restoration may include, by way of illustration, direct reforestation (particularly of tree species that may be affected by acidic deposition) and soil enhancement. Any restoration action must also incorporate the acquisition of an interest in the restored lands sufficient to ensure perpetual protection of the restored land, unless the land restored is already under the ownership of a governmental entity that has a legal duty to conserve the land in perpetuity. Any proposal for acquisition of land must identify fully all owners of the interests in the land. Every proposal for acquisition or transfer of land must identify the ultimate holder of the interests to be acquired and provide a basis for concluding that the proposed holder of title is appropriate for long-term protection of the ecological and/or environmental benefits sought to be achieved through the acquisition.
3. The Project(s) will focus on lands adjacent to, or near, the Indiana Dunes National Lakeshore, and may include other lands in the northwest Indiana area, potentially affected by emissions from one or more of the NIPSCO Units. Examples of Projects include:
  - a. Acquire and Restore Disturbed Land at NIPSCO Michigan City Plant and Crescent Dune Area: Funding this Project would provide for acquisition, cleanup, invasive species control, and restoration of approximately 246 acres at and around the NIPSCO Michigan City site; and

b. Acquire, Restore, and Donate Land Adjacent to Indiana Dunes National Lakeshore: Funding for this Project would provide for acquisition and restoration of lands adjacent to the National Lakeshore and would include the transfer of title to such lands, or the granting of an easement over such lands, to the National Park Service.

4. Within one year of Date of Entry of this Consent Decree, through the stakeholder process described in II.C.1 above, NIPSCO will identify and provide recommendations for specific Projects to EPA for approval.

**D. Funding Obligations for Section II Environmental Projects**

1. Within three years of the Date of Entry of this Consent Decree, NIPSCO will have completed the expenditure of a minimum of \$3,500,000 to fund and implement the approved Clean Diesel and Wood Stove Changeout Projects as described in II.A and II.B. NIPSCO shall retain the discretion to determine how best to allocate the minimum \$3,500,000 in Project Dollars between the approved Clean Diesel and Wood Stove Changeout Projects.

2. Within three years of the Date of Entry of this Consent Decree, NIPSCO will have completed the expenditure of a minimum of \$1,500,000 and a maximum of \$2,000,000 to fund and implement the approved Land Acquisition and Restoration Project as described in II.C.

**III. Additional Environmental Mitigation Projects**

A. Within 1 year of the Date of Entry, as further described below, NIPSCO shall submit proposed Project plan(s) to EPA for review and approval pursuant to Section XIV of the Consent Decree (Review and Approval of Submittals) for expenditure of the remaining Project Dollars over a period of not more than five years from the Date of Entry, except as provided below. NIPSCO shall not spend more than \$2 million of the remaining Project Dollars on a single project in this Section III “Additional Environmental Mitigation Projects.” The Parties agree, subject to the requirements of this Appendix, that NIPSCO may in its discretion decide which of the Projects specified in Sections III.C, and D, of this Appendix to propose for EPA approval. NIPSCO may, at its election, consolidate the plans required by this Appendix into a single plan. In addition, NIPSCO may propose during the five year period to make amendments or modifications to the plan or plans for EPA review and approval. NIPSCO has no current obligation to undertake any of the Projects described below in Sections III.C, D, and E.

B. The Parties agree that NIPSCO is entitled to spread its payments for Projects over the five-year period commencing upon the Date of Entry. NIPSCO is not, however, precluded from accelerating payments to better effectuate a proposed mitigation plan, provided that NIPSCO shall not be entitled to any reduction in the nominal amount of the required payments by virtue of the early expenditures. EPA shall determine prior to approval that all Projects are consistent with federal law.

C. Hybrid Fleet Project

1. NIPSCO may elect to submit a plan for a hybrid and/or electric fleet project to reduce emissions from NIPSCO's fleet of motor vehicles. NIPSCO has a substantial fleet of motor vehicles where it operates. These motor vehicles are generally powered by conventional diesel or gasoline engines and include vehicles such as diesel "bucket" trucks. The use of hybrid engine technologies in NIPSCO's motor vehicles, such as diesel-electric engines, will improve fuel efficiency and reduce emissions of NO<sub>x</sub>, PM, VOCs, and other air pollutants.
2. As part of any plan for the Hybrid Fleet Project, assuming that NIPSCO elects to undertake this Project, NIPSCO may elect to spend Project Dollars on the replacement of conventional motor vehicles in its fleet with newly manufactured hybrid and/or electric vehicles.
3. In addition to the requirements of Section I.C of this Appendix, any plan for the Hybrid Fleet Project shall:
  - a. Propose the replacement of convention diesel engines in bucket trucks or other mobile sources with hybrid or electric engines, and/or propose the replacement of portions of NIPSCO's fleet (including cars, vans, and pickup trucks) with hybrid and/or electric vehicles. For purposes of this subsection of this Appendix, "hybrid and/or electric vehicle" means a vehicle that can generate and/or utilize electric power to reduce the vehicles consumption of diesel or gasoline fuel. Any such vehicle proposed for inclusion in the Hybrid Fleet Project shall meet all applicable engine standards, certifications, and/or verifications.
  - b. Propose a method to account for the amount of Project Dollars that will be credited for each replacement made under subparagraph (a) above, taking into account the incremental cost of such engines or vehicles as compared to conventional engines or vehicles and potential savings associated with the replacement;
  - c. Prioritize the replacement of diesel-powered vehicles in NIPSCO's fleet. Certify that NIPSCO will use the Hybrid Vehicles for their useful life (as defined in the proposed Plan).
4. Notwithstanding any other provision of this Consent Decree, including this Appendix, NIPSCO shall only receive credit toward Project Dollars for the incremental cost of hybrid and/or electric vehicles as compared to the cost of a newly manufactured, similar motor vehicle powered by conventional diesel or gasoline engines.

D. Electric Vehicle Infrastructure Enhancement

1. NIPSCO may undertake enhancements to the electric vehicle charging infrastructure by funding creation of one or more charging stations for electric vehicles in the Northwest Indiana area bordered by the cities of Gary-Hammond, Michigan City, South Bend-Elkhart, and Fort Wayne. Battery powered and some hybrid vehicles need plug-in infrastructure to recharge the batteries. Establishment of electric vehicle charging stations in Northwest Indiana could expand the useful driving range of electric vehicles in the Chicago metropolitan area as well as encourage Northwest Indiana drivers to purchase electric vehicles for local use as well as commutes to Chicago. Locations for such charging stations would be targeted for areas where vehicles could be left for several hours to fully charge the electric vehicle's battery system.

2. If NIPSCO elects to undertake this Project, it may partner with third party organizations (e.g., NIRPC, SSSC) to handle funding and selection of locations in Northwest Indiana. Locations would be sought to maximize the number of vehicles that could utilize the chargers while striving to expand into Northwest Indiana the network of electric vehicle charging stations currently in the Illinois portion of the greater Chicago metropolitan area. Potential sites could consist of locations that provide public access, including parking lots at mass transit terminals/stops (such as South Shore Commuter Rail stations, RDA bus stops), large industrial facilities or similar employers (NIPSCO, Methodist Hospital, steel mills), residences, and shopping malls in Lake and Porter counties.

3. Emission reductions - overall emissions reductions would depend upon the number of vehicles utilizing the facilities and would be based upon the type of vehicle the electric vehicle replaces in the general geographic area, the emissions characteristics and the annual vehicle miles traveled (VMT). For the term of this project NIPSCO would commit to effectively supply the vehicle charging station with zero emission renewable energy sources through the use of renewable energy credits (RECs). Therefore the usage would be considered emission free. NIPSCO will report the expected and achieved environmental benefits.

4. NIPSCO may consider and implement additional options to enhance electric vehicle usage, such as to:

- a. Provide a purchase incentive for acquisition of plug-in hybrid electric vehicle (PHEV), pure battery electric vehicle (EV), or lesser incentive to a conventional vehicle converted to a plug-in
- b. Fund low-interest loans through banks and dealers for plug-in vehicles
- c. Provide direct cash incentives to consumers for vehicle purchase.

#### E. Residential and Commercial Electric to Natural Gas Conversion Project

1. NIPSCO may submit a plan to EPA to implement a Residential and Commercial Electric to Natural Gas Conversion Project (“Conversion Project”) to reduce life cycle SO<sub>2</sub>, NO<sub>x</sub>, and PM and other air emissions resulting from residential and commercial space and water heating energy usage. If NIPSCO elects to perform this Conversion Project, the Conversion Project will consist of specific measures that will produce long-term, permanent, environmental benefits by the removal and replacement of electric resistance furnaces and water heaters with new high efficiency natural gas furnaces (92% or higher AFUE) and natural gas water heaters. The reduction in emissions of SO<sub>2</sub>, NO<sub>x</sub>, PM, and other air emissions would occur based on the more efficient energy delivery by natural gas compared to electricity (approximately 92% delivery efficiency for natural gas versus 32% delivery efficiency for electricity) and the use of inherently cleaner burning natural gas compared to the overall predominance of coal based fuels in this subregion. The Conversion Project will be performed in and demonstrate SO<sub>2</sub>, NO<sub>x</sub>, PM and other air emission benefits to communities in northern Indiana, bordered by the cities of Gary-Hammond, Michigan City, South Bend-Elkhart, and Fort Wayne area and provide benefits beyond what is required of NIPSCO under any Indiana Utility Regulatory Commission state-wide mandate.

2. If NIPSCO elects to undertake this Conversion Project, it may partner with third party organizations to handle funding and selection of residences and commercial establishments for the removal of electric resistance furnaces and water heaters and replacement with natural gas-fired units.

## Attachment C

### Electronic Code of Federal Regulations

#### Title 40: Protection of Environment

#### Part 63, Subpart ZZZZ—National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines

SOURCE: 69 FR 33506, June 15, 2004, unless otherwise noted.

#### What This Subpart Covers

##### § 63.6580 What is the purpose of subpart ZZZZ?

Subpart ZZZZ establishes national emission limitations and operating limitations for hazardous air pollutants (HAP) emitted from stationary reciprocating internal combustion engines (RICE) located at major and area sources of HAP emissions. This subpart also establishes requirements to demonstrate initial and continuous compliance with the emission limitations and operating limitations.

[73 FR 3603, Jan. 18, 2008]

##### § 63.6585 Am I subject to this subpart?

You are subject to this subpart if you own or operate a stationary RICE at a major or area source of HAP emissions, except if the stationary RICE is being tested at a stationary RICE test cell/stand.

(a) A stationary RICE is any internal combustion engine which uses reciprocating motion to convert heat energy into mechanical work and which is not mobile. Stationary RICE differ from mobile RICE in that a stationary RICE is not a non-road engine as defined at 40 CFR 1068.30, and is not used to propel a motor vehicle or a vehicle used solely for competition.

(b) A major source of HAP emissions is a plant site that emits or has the potential to emit any single HAP at a rate of 10 tons (9.07 megagrams) or more per year or any combination of HAP at a rate of 25 tons (22.68 megagrams) or more per year, except that for oil and gas production facilities, a major source of HAP emissions is determined for each surface site.

(c) An area source of HAP emissions is a source that is not a major source.

(d) If you are an owner or operator of an area source subject to this subpart, your status as an entity subject to a standard or other requirements under this subpart does not subject you to the obligation to obtain a permit under 40 CFR part 70 or 71, provided you are not required to obtain a permit under 40 CFR 70.3(a) or 40 CFR 71.3(a) for a reason other than your status as an area source under this subpart. Notwithstanding the previous sentence, you must continue to comply with the provisions of this subpart as applicable.

(e) If you are an owner or operator of a stationary RICE used for national security purposes, you may be eligible to request an exemption from the requirements of this subpart as described in 40 CFR part 1068, subpart C.

(f) The emergency stationary RICE listed in paragraphs (f)(1) through (3) of this section are not subject to this subpart. The stationary RICE must meet the definition of an emergency stationary RICE in § 63.6675, which includes operating according to the provisions specified in § 63.6640(f).

(1) Existing residential emergency stationary RICE located at an area source of HAP emissions that do not operate or are not contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii) and that do not operate for the purpose specified in § 63.6640(f)(4)(ii).

(2) Existing commercial emergency stationary RICE located at an area source of HAP emissions that do not operate or are not contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii) and that do not operate for the purpose specified in § 63.6640(f)(4)(ii).

(3) Existing institutional emergency stationary RICE located at an area source of HAP emissions that do not operate or are not contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii) and that do not operate for the purpose specified in § 63.6640(f)(4)(ii).

[69 FR 33506, June 15, 2004, as amended at 73 FR 3603, Jan. 18, 2008; 78 FR 6700, Jan. 30, 2013]

### **§ 63.6590 What parts of my plant does this subpart cover?**

This subpart applies to each affected source.

(a) *Affected source.* An affected source is any existing, new, or reconstructed stationary RICE located at a major or area source of HAP emissions, excluding stationary RICE being tested at a stationary RICE test cell/stand.

(1) *Existing stationary RICE.*

(i) For stationary RICE with a site rating of more than 500 brake horsepower (HP) located at a major source of HAP emissions, a stationary RICE is existing if you commenced construction or reconstruction of the stationary RICE before December 19, 2002.

(ii) For stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions, a stationary RICE is existing if you commenced construction or reconstruction of the stationary RICE before June 12, 2006.

(iii) For stationary RICE located at an area source of HAP emissions, a stationary RICE is existing if you commenced construction or reconstruction of the stationary RICE before June 12, 2006.

(iv) A change in ownership of an existing stationary RICE does not make that stationary RICE a new or reconstructed stationary RICE.

(2) *New stationary RICE.* (i) A stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions is new if you commenced construction of the stationary RICE on or after December 19, 2002.

(ii) A stationary RICE with a site rating of equal to or less than 500 brake HP located at a major source of HAP emissions is new if you commenced construction of the stationary RICE on or after June 12, 2006.

(iii) A stationary RICE located at an area source of HAP emissions is new if you commenced construction of the stationary RICE on or after June 12, 2006.

(3) *Reconstructed stationary RICE.* (i) A stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions is reconstructed if you meet the definition of reconstruction in § 63.2 and reconstruction is commenced on or after December 19, 2002.

(ii) A stationary RICE with a site rating of equal to or less than 500 brake HP located at a major source of HAP emissions is reconstructed if you meet the definition of reconstruction in § 63.2 and reconstruction is commenced on or after June 12, 2006.

(iii) A stationary RICE located at an area source of HAP emissions is reconstructed if you meet the definition of reconstruction in § 63.2 and reconstruction is commenced on or after June 12, 2006.

(b) *Stationary RICE subject to limited requirements.* (1) An affected source which meets either of the criteria in paragraphs (b)(1)(i) through (ii) of this section does not have to meet the requirements of this subpart and of subpart A of this part except for the initial notification requirements of § 63.6645(f).

(i) The stationary RICE is a new or reconstructed emergency stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions that does not operate or is not contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii).

(ii) The stationary RICE is a new or reconstructed limited use stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions.

(2) A new or reconstructed stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions which combusts landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis must meet the initial notification requirements of § 63.6645(f) and the requirements of §§ 63.6625(c), 63.6650(g), and 63.6655(c). These stationary RICE do not have to meet the emission limitations and operating limitations of this subpart.

(3) The following stationary RICE do not have to meet the requirements of this subpart and of subpart A of this part, including initial notification requirements:

(i) Existing spark ignition 2 stroke lean burn (2SLB) stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions;

(ii) Existing spark ignition 4 stroke lean burn (4SLB) stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions;

(iii) Existing emergency stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions that does not operate or is not contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii).

(iv) Existing limited use stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions;

(v) Existing stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions that combusts landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis;

(c) *Stationary RICE subject to Regulations under 40 CFR Part 60.* An affected source that meets any of the criteria in paragraphs (c)(1) through (7) of this section must meet the requirements of this part by meeting the requirements of 40 CFR part 60 subpart IIII, for compression ignition engines or 40 CFR part 60 subpart JJJJ, for spark ignition engines. No further requirements apply for such engines under this part.

(1) A new or reconstructed stationary RICE located at an area source;

(2) A new or reconstructed 2SLB stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions;

(3) A new or reconstructed 4SLB stationary RICE with a site rating of less than 250 brake HP located at a major source of HAP emissions;

(4) A new or reconstructed spark ignition 4 stroke rich burn (4SRB) stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions;

(5) A new or reconstructed stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions which combusts landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis;

(6) A new or reconstructed emergency or limited use stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions;

(7) A new or reconstructed compression ignition (CI) stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions.

[69 FR 33506, June 15, 2004, as amended at 73 FR 3604, Jan. 18, 2008; 75 FR 9674, Mar. 3, 2010; 75 FR 37733, June 30, 2010; 75 FR 51588, Aug. 20, 2010; 78 FR 6700, Jan. 30, 2013]

**§ 63.6595 When do I have to comply with this subpart?**

(a) *Affected sources.* (1) If you have an existing stationary RICE, excluding existing non-emergency CI stationary RICE, with a site rating of more than 500 brake HP located at a major source of HAP emissions, you must comply with the applicable emission limitations, operating limitations and other requirements no later than June 15, 2007. If you have an existing non-emergency CI stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, an existing stationary CI RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions, or an existing stationary CI RICE located at an area source of HAP emissions, you must comply with the applicable emission limitations, operating limitations, and other requirements no later than May 3, 2013. If you have an existing stationary SI RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions, or an existing stationary SI RICE located at an area source of HAP emissions, you must comply with the applicable emission limitations, operating limitations, and other requirements no later than October 19, 2013.

(2) If you start up your new or reconstructed stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions before August 16, 2004, you must comply with the applicable emission limitations and operating limitations in this subpart no later than August 16, 2004.

(3) If you start up your new or reconstructed stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions after August 16, 2004, you must comply with the applicable emission limitations and operating limitations in this subpart upon startup of your affected source.

(4) If you start up your new or reconstructed stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions before January 18, 2008, you must comply with the applicable emission limitations and operating limitations in this subpart no later than January 18, 2008.

(5) If you start up your new or reconstructed stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions after January 18, 2008, you must comply with the applicable emission limitations and operating limitations in this subpart upon startup of your affected source.

(6) If you start up your new or reconstructed stationary RICE located at an area source of HAP emissions before January 18, 2008, you must comply with the applicable emission limitations and operating limitations in this subpart no later than January 18, 2008.

(7) If you start up your new or reconstructed stationary RICE located at an area source of HAP emissions after January 18, 2008, you must comply with the applicable emission limitations and operating limitations in this subpart upon startup of your affected source.

(b) *Area sources that become major sources.* If you have an area source that increases its emissions or its potential to emit such that it becomes a major source of HAP, the compliance dates in paragraphs (b)(1) and (2) of this section apply to you.

(1) Any stationary RICE for which construction or reconstruction is commenced after the date when your area source becomes a major source of HAP must be in compliance with this subpart upon startup of your affected source.

(2) Any stationary RICE for which construction or reconstruction is commenced before your area source becomes a major source of HAP must be in compliance with the provisions of this subpart that are applicable to RICE located at major sources within 3 years after your area source becomes a major source of HAP.

(c) If you own or operate an affected source, you must meet the applicable notification requirements in § 63.6645 and in 40 CFR part 63, subpart A.

[69 FR 33506, June 15, 2004, as amended at 73 FR 3604, Jan. 18, 2008; 75 FR 9675, Mar. 3, 2010; 75 FR 51589, Aug. 20, 2010; 78 FR 6701, Jan. 30, 2013]

### **Emission and Operating Limitations**

#### **§ 63.6600 What emission limitations and operating limitations must I meet if I own or operate a stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions?**

Compliance with the numerical emission limitations established in this subpart is based on the results of testing the average of three 1-hour runs using the testing requirements and procedures in § 63.6620 and Table 4 to this subpart.

(a) If you own or operate an existing, new, or reconstructed spark ignition 4SRB stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you must comply with the emission limitations in Table 1a to this subpart and the operating limitations in Table 1b to this subpart which apply to you.

(b) If you own or operate a new or reconstructed 2SLB stationary RICE with a site rating of more than 500 brake HP located at major source of HAP emissions, a new or reconstructed 4SLB stationary RICE with a site rating of more than 500 brake HP located at major source of HAP emissions, or a new or reconstructed CI stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you must comply with the emission limitations in Table 2a to this subpart and the operating limitations in Table 2b to this subpart which apply to you.

(c) If you own or operate any of the following stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you do not need to comply with the emission limitations in Tables 1a, 2a, 2c, and 2d to this subpart or operating limitations in Tables 1b and 2b to this subpart: an existing 2SLB stationary RICE; an existing 4SLB stationary RICE; a stationary RICE that combusts landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis; an emergency stationary RICE; or a limited use stationary RICE.

(d) If you own or operate an existing non-emergency stationary CI RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you must comply with the emission limitations in Table 2c to this subpart and the operating limitations in Table 2b to this subpart which apply to you.

[73 FR 3605, Jan. 18, 2008, as amended at 75 FR 9675, Mar. 3, 2010]

#### **§ 63.6601 What emission limitations must I meet if I own or operate a new or reconstructed 4SLB stationary RICE with a site rating of greater than or equal to 250 brake HP and less than or equal to 500 brake HP located at a major source of HAP emissions?**

Compliance with the numerical emission limitations established in this subpart is based on the results of testing the average of three 1-hour runs using the testing requirements and procedures in § 63.6620 and Table 4 to this subpart. If you own or operate a new or reconstructed 4SLB stationary RICE with a site rating of greater than or equal to 250 and less than or equal to 500 brake HP located at major source of HAP emissions manufactured on or after January 1, 2008, you must comply with the emission limitations in Table 2a to this subpart and the operating limitations in Table 2b to this subpart which apply to you.

[73 FR 3605, Jan. 18, 2008, as amended at 75 FR 9675, Mar. 3, 2010; 75 FR 51589, Aug. 20, 2010]

#### **§ 63.6602 What emission limitations and other requirements must I meet if I own or operate an existing stationary RICE with a site rating of equal to or less than 500 brake HP located at a major source of HAP emissions?**

If you own or operate an existing stationary RICE with a site rating of equal to or less than 500 brake HP located at a major source of HAP emissions, you must comply with the emission limitations and other requirements in Table 2c to this subpart which apply to you. Compliance with the numerical emission limitations established in this subpart is based on the results of testing the average of three 1-hour runs using the testing requirements and procedures in § 63.6620 and Table 4 to this subpart.

[78 FR 6701, Jan. 30, 2013]

**§ 63.6603 What emission limitations, operating limitations, and other requirements must I meet if I own or operate an existing stationary RICE located at an area source of HAP emissions?**

Compliance with the numerical emission limitations established in this subpart is based on the results of testing the average of three 1-hour runs using the testing requirements and procedures in § 63.6620 and Table 4 to this subpart.

(a) If you own or operate an existing stationary RICE located at an area source of HAP emissions, you must comply with the requirements in Table 2d to this subpart and the operating limitations in Table 2b to this subpart that apply to you.

(b) If you own or operate an existing stationary non-emergency CI RICE with a site rating of more than 300 HP located at an area source of HAP that meets either paragraph (b)(1) or (2) of this section, you do not have to meet the numerical CO emission limitations specified in Table 2d of this subpart. Existing stationary non-emergency CI RICE with a site rating of more than 300 HP located at an area source of HAP that meet either paragraph (b)(1) or (2) of this section must meet the management practices that are shown for stationary non-emergency CI RICE with a site rating of less than or equal to 300 HP in Table 2d of this subpart.

(1) The area source is located in an area of Alaska that is not accessible by the Federal Aid Highway System (FAHS).

(2) The stationary RICE is located at an area source that meets paragraphs (b)(2)(i), (ii), and (iii) of this section.

(i) The only connection to the FAHS is through the Alaska Marine Highway System (AMHS), or the stationary RICE operation is within an isolated grid in Alaska that is not connected to the statewide electrical grid referred to as the Alaska Railbelt Grid.

(ii) At least 10 percent of the power generated by the stationary RICE on an annual basis is used for residential purposes.

(iii) The generating capacity of the area source is less than 12 megawatts, or the stationary RICE is used exclusively for backup power for renewable energy.

(c) If you own or operate an existing stationary non-emergency CI RICE with a site rating of more than 300 HP located on an offshore vessel that is an area source of HAP and is a nonroad vehicle that is an Outer Continental Shelf (OCS) source as defined in 40 CFR 55.2, you do not have to meet the numerical CO emission limitations specified in Table 2d of this subpart. You must meet all of the following management practices:

(1) Change oil every 1,000 hours of operation or annually, whichever comes first. Sources have the option to utilize an oil analysis program as described in § 63.6625(i) in order to extend the specified oil change requirement.

(2) Inspect and clean air filters every 750 hours of operation or annually, whichever comes first, and replace as necessary.

(3) Inspect fuel filters and belts, if installed, every 750 hours of operation or annually, whichever comes first, and replace as necessary.

(4) Inspect all flexible hoses every 1,000 hours of operation or annually, whichever comes first, and replace as necessary.

(d) If you own or operate an existing non-emergency CI RICE with a site rating of more than 300 HP located at an area source of HAP emissions that is certified to the Tier 1 or Tier 2 emission standards in Table 1 of 40 CFR 89.112 and that is subject to an enforceable state or local standard that requires the engine to be replaced no later than June 1, 2018, you may until January 1, 2015, or 12 years after the installation date of the engine (whichever is later), but not later than June 1, 2018, choose to comply with the management practices that are shown for stationary non-emergency CI RICE with a site rating of less than or equal to 300 HP in Table 2d of this subpart instead of the applicable emission limitations in Table 2d, operating limitations in Table 2b, and crankcase ventilation system

requirements in § 63.6625(g). You must comply with the emission limitations in Table 2d and operating limitations in Table 2b that apply for non-emergency CI RICE with a site rating of more than 300 HP located at an area source of HAP emissions by January 1, 2015, or 12 years after the installation date of the engine (whichever is later), but not later than June 1, 2018. You must also comply with the crankcase ventilation system requirements in § 63.6625(g) by January 1, 2015, or 12 years after the installation date of the engine (whichever is later), but not later than June 1, 2018.

(e) If you own or operate an existing non-emergency CI RICE with a site rating of more than 300 HP located at an area source of HAP emissions that is certified to the Tier 3 (Tier 2 for engines above 560 kilowatt (kW)) emission standards in Table 1 of 40 CFR 89.112, you may comply with the requirements under this part by meeting the requirements for Tier 3 engines (Tier 2 for engines above 560 kW) in 40 CFR part 60 subpart IIII instead of the emission limitations and other requirements that would otherwise apply under this part for existing non-emergency CI RICE with a site rating of more than 300 HP located at an area source of HAP emissions.

(f) An existing non-emergency SI 4SLB and 4SRB stationary RICE with a site rating of more than 500 HP located at area sources of HAP must meet the definition of remote stationary RICE in § 63.6675 on the initial compliance date for the engine, October 19, 2013, in order to be considered a remote stationary RICE under this subpart. Owners and operators of existing non-emergency SI 4SLB and 4SRB stationary RICE with a site rating of more than 500 HP located at area sources of HAP that meet the definition of remote stationary RICE in § 63.6675 of this subpart as of October 19, 2013 must evaluate the status of their stationary RICE every 12 months. Owners and operators must keep records of the initial and annual evaluation of the status of the engine. If the evaluation indicates that the stationary RICE no longer meets the definition of remote stationary RICE in § 63.6675 of this subpart, the owner or operator must comply with all of the requirements for existing non-emergency SI 4SLB and 4SRB stationary RICE with a site rating of more than 500 HP located at area sources of HAP that are not remote stationary RICE within 1 year of the evaluation.

[75 FR 9675, Mar. 3, 2010, as amended at 75 FR 51589, Aug. 20, 2010; 76 FR 12866, Mar. 9, 2011; 78 FR 6701, Jan. 30, 2013]

#### **§ 63.6604 What fuel requirements must I meet if I own or operate a stationary CI RICE?**

(a) If you own or operate an existing non-emergency, non-black start CI stationary RICE with a site rating of more than 300 brake HP with a displacement of less than 30 liters per cylinder that uses diesel fuel, you must use diesel fuel that meets the requirements in 40 CFR 80.510(b) for nonroad diesel fuel.

(b) Beginning January 1, 2015, if you own or operate an existing emergency CI stationary RICE with a site rating of more than 100 brake HP and a displacement of less than 30 liters per cylinder that uses diesel fuel and operates or is contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii) or that operates for the purpose specified in § 63.6640(f)(4)(ii), you must use diesel fuel that meets the requirements in 40 CFR 80.510(b) for nonroad diesel fuel, except that any existing diesel fuel purchased (or otherwise obtained) prior to January 1, 2015, may be used until depleted.

(c) Beginning January 1, 2015, if you own or operate a new emergency CI stationary RICE with a site rating of more than 500 brake HP and a displacement of less than 30 liters per cylinder located at a major source of HAP that uses diesel fuel and operates or is contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii), you must use diesel fuel that meets the requirements in 40 CFR 80.510(b) for nonroad diesel fuel, except that any existing diesel fuel purchased (or otherwise obtained) prior to January 1, 2015, may be used until depleted.

(d) Existing CI stationary RICE located in Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, at area sources in areas of Alaska that meet either § 63.6603(b)(1) or § 63.6603(b)(2), or are on offshore vessels that meet § 63.6603(c) are exempt from the requirements of this section.

[78 FR 6702, Jan. 30, 2013]

## General Compliance Requirements

### § 63.6605 What are my general requirements for complying with this subpart?

(a) You must be in compliance with the emission limitations, operating limitations, and other requirements in this subpart that apply to you at all times.

(b) At all times you must operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions. The general duty to minimize emissions does not require you to make any further efforts to reduce emissions if levels required by this standard have been achieved. Determination of whether such operation and maintenance procedures are being used will be based on information available to the Administrator which may include, but is not limited to, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, and inspection of the source.

[75 FR 9675, Mar. 3, 2010, as amended at 78 FR 6702, Jan. 30, 2013]

## Testing and Initial Compliance Requirements

### § 63.6610 By what date must I conduct the initial performance tests or other initial compliance demonstrations if I own or operate a stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions?

If you own or operate a stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions you are subject to the requirements of this section.

(a) You must conduct the initial performance test or other initial compliance demonstrations in Table 4 to this subpart that apply to you within 180 days after the compliance date that is specified for your stationary RICE in § 63.6595 and according to the provisions in § 63.7(a)(2).

(b) If you commenced construction or reconstruction between December 19, 2002 and June 15, 2004 and own or operate stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you must demonstrate initial compliance with either the proposed emission limitations or the promulgated emission limitations no later than February 10, 2005 or no later than 180 days after startup of the source, whichever is later, according to § 63.7(a)(2)(ix).

(c) If you commenced construction or reconstruction between December 19, 2002 and June 15, 2004 and own or operate stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, and you chose to comply with the proposed emission limitations when demonstrating initial compliance, you must conduct a second performance test to demonstrate compliance with the promulgated emission limitations by December 13, 2007 or after startup of the source, whichever is later, according to § 63.7(a)(2)(ix).

(d) An owner or operator is not required to conduct an initial performance test on units for which a performance test has been previously conducted, but the test must meet all of the conditions described in paragraphs (d)(1) through (5) of this section.

(1) The test must have been conducted using the same methods specified in this subpart, and these methods must have been followed correctly.

(2) The test must not be older than 2 years.

(3) The test must be reviewed and accepted by the Administrator.

(4) Either no process or equipment changes must have been made since the test was performed, or the owner or operator must be able to demonstrate that the results of the performance test, with or without adjustments, reliably demonstrate compliance despite process or equipment changes.

(5) The test must be conducted at any load condition within plus or minus 10 percent of 100 percent load.

[69 FR 33506, June 15, 2004, as amended at 73 FR 3605, Jan. 18, 2008]

**§ 63.6611 By what date must I conduct the initial performance tests or other initial compliance demonstrations if I own or operate a new or reconstructed 4SLB SI stationary RICE with a site rating of greater than or equal to 250 and less than or equal to 500 brake HP located at a major source of HAP emissions?**

If you own or operate a new or reconstructed 4SLB stationary RICE with a site rating of greater than or equal to 250 and less than or equal to 500 brake HP located at a major source of HAP emissions, you must conduct an initial performance test within 240 days after the compliance date that is specified for your stationary RICE in § 63.6595 and according to the provisions specified in Table 4 to this subpart, as appropriate.

[73 FR 3605, Jan. 18, 2008, as amended at 75 FR 51589, Aug. 20, 2010]

**§ 63.6612 By what date must I conduct the initial performance tests or other initial compliance demonstrations if I own or operate an existing stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions or an existing stationary RICE located at an area source of HAP emissions?**

If you own or operate an existing stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions or an existing stationary RICE located at an area source of HAP emissions you are subject to the requirements of this section.

(a) You must conduct any initial performance test or other initial compliance demonstration according to Tables 4 and 5 to this subpart that apply to you within 180 days after the compliance date that is specified for your stationary RICE in § 63.6595 and according to the provisions in § 63.7(a)(2).

(b) An owner or operator is not required to conduct an initial performance test on a unit for which a performance test has been previously conducted, but the test must meet all of the conditions described in paragraphs (b)(1) through (4) of this section.

(1) The test must have been conducted using the same methods specified in this subpart, and these methods must have been followed correctly.

(2) The test must not be older than 2 years.

(3) The test must be reviewed and accepted by the Administrator.

(4) Either no process or equipment changes must have been made since the test was performed, or the owner or operator must be able to demonstrate that the results of the performance test, with or without adjustments, reliably demonstrate compliance despite process or equipment changes.

[75 FR 9676, Mar. 3, 2010, as amended at 75 FR 51589, Aug. 20, 2010]

**§ 63.6615 When must I conduct subsequent performance tests?**

If you must comply with the emission limitations and operating limitations, you must conduct subsequent performance tests as specified in Table 3 of this subpart.

**§ 63.6620 What performance tests and other procedures must I use?**

(a) You must conduct each performance test in Tables 3 and 4 of this subpart that applies to you.

(b) Each performance test must be conducted according to the requirements that this subpart specifies in Table 4 to this subpart. If you own or operate a non-operational stationary RICE that is subject to performance testing, you do not need to start up the engine solely to conduct the performance test. Owners and operators of a non-operational engine can conduct the performance test when the engine is started up again. The test must be conducted at any load condition within plus or minus 10 percent of 100 percent load for the stationary RICE listed in paragraphs (b)(1) through (4) of this section.

(1) Non-emergency 4SRB stationary RICE with a site rating of greater than 500 brake HP located at a major source of HAP emissions.

(2) New non-emergency 4SLB stationary RICE with a site rating of greater than or equal to 250 brake HP located at a major source of HAP emissions.

(3) New non-emergency 2SLB stationary RICE with a site rating of greater than 500 brake HP located at a major source of HAP emissions.

(4) New non-emergency CI stationary RICE with a site rating of greater than 500 brake HP located at a major source of HAP emissions.

(c) [Reserved]

(d) You must conduct three separate test runs for each performance test required in this section, as specified in § 63.7(e)(3). Each test run must last at least 1 hour, unless otherwise specified in this subpart.

(e)(1) You must use Equation 1 of this section to determine compliance with the percent reduction requirement:

$$\frac{C_i - C_o}{C_i} \times 100 = R \quad (\text{Eq. 1})$$

Where:

$C_i$  = concentration of carbon monoxide (CO), total hydrocarbons (THC), or formaldehyde at the control device inlet,

$C_o$  = concentration of CO, THC, or formaldehyde at the control device outlet, and

R = percent reduction of CO, THC, or formaldehyde emissions.

(2) You must normalize the CO, THC, or formaldehyde concentrations at the inlet and outlet of the control device to a dry basis and to 15 percent oxygen, or an equivalent percent carbon dioxide ( $\text{CO}_2$ ). If pollutant concentrations are to be corrected to 15 percent oxygen and  $\text{CO}_2$  concentration is measured in lieu of oxygen concentration measurement, a  $\text{CO}_2$  correction factor is needed. Calculate the  $\text{CO}_2$  correction factor as described in paragraphs (e)(2)(i) through (iii) of this section.

(i) Calculate the fuel-specific  $F_o$  value for the fuel burned during the test using values obtained from Method 19, Section 5.2, and the following equation:

$$F_o = \frac{0.209 F_d}{F_c} \quad (\text{Eq. 2})$$

Where:

$F_o$  = Fuel factor based on the ratio of oxygen volume to the ultimate  $\text{CO}_2$  volume produced by the fuel at zero percent excess air.

0.209 = Fraction of air that is oxygen, percent/100.

$F_d$  = Ratio of the volume of dry effluent gas to the gross calorific value of the fuel from Method 19,  $\text{dsm}^3/\text{J}$  ( $\text{dscf}/10^6$  Btu).

$F_c$  = Ratio of the volume of  $\text{CO}_2$  produced to the gross calorific value of the fuel from Method 19,  $\text{dsm}^3/\text{J}$  ( $\text{dscf}/10^6$  Btu)

(ii) Calculate the  $\text{CO}_2$  correction factor for correcting measurement data to 15 percent  $\text{O}_2$ , as follows:

$$X_{\text{CO}_2} = \frac{5.9}{F_o} \quad (\text{Eq. 3})$$

Where:

$X_{\text{CO}_2}$  =  $\text{CO}_2$  correction factor, percent.

5.9 = 20.9 percent  $\text{O}_2$  —15 percent  $\text{O}_2$ , the defined  $\text{O}_2$  correction value, percent.

(iii) Calculate the CO, THC, and formaldehyde gas concentrations adjusted to 15 percent  $\text{O}_2$  using  $\text{CO}_2$  as follows:

$$C_{\text{adj}} = C_d \frac{X_{\text{CO}_2}}{\% \text{CO}_2} \quad (\text{Eq. 4})$$

Where:

$C_{\text{adj}}$  = Calculated concentration of CO, THC, or formaldehyde adjusted to 15 percent  $\text{O}_2$ .

$C_d$  = Measured concentration of CO, THC, or formaldehyde, uncorrected.

$X_{\text{CO}_2}$  =  $\text{CO}_2$  correction factor, percent.

$\% \text{CO}_2$  = Measured  $\text{CO}_2$  concentration measured, dry basis, percent.

(f) If you comply with the emission limitation to reduce CO and you are not using an oxidation catalyst, if you comply with the emission limitation to reduce formaldehyde and you are not using NSCR, or if you comply with the emission limitation to limit the concentration of formaldehyde in the stationary RICE exhaust and you are not using an oxidation catalyst or NSCR, you must petition the Administrator for operating limitations to be established during the initial performance test and continuously monitored thereafter; or for approval of no operating limitations. You must not conduct the initial performance test until after the petition has been approved by the Administrator.

(g) If you petition the Administrator for approval of operating limitations, your petition must include the information described in paragraphs (g)(1) through (5) of this section.

(1) Identification of the specific parameters you propose to use as operating limitations;

(2) A discussion of the relationship between these parameters and HAP emissions, identifying how HAP emissions change with changes in these parameters, and how limitations on these parameters will serve to limit HAP emissions;

(3) A discussion of how you will establish the upper and/or lower values for these parameters which will establish the limits on these parameters in the operating limitations;

(4) A discussion identifying the methods you will use to measure and the instruments you will use to monitor these parameters, as well as the relative accuracy and precision of these methods and instruments; and

(5) A discussion identifying the frequency and methods for recalibrating the instruments you will use for monitoring these parameters.

(h) If you petition the Administrator for approval of no operating limitations, your petition must include the information described in paragraphs (h)(1) through (7) of this section.

(1) Identification of the parameters associated with operation of the stationary RICE and any emission control device which could change intentionally ( e.g., operator adjustment, automatic controller adjustment, etc.) or unintentionally ( e.g., wear and tear, error, etc.) on a routine basis or over time;

(2) A discussion of the relationship, if any, between changes in the parameters and changes in HAP emissions;

(3) For the parameters which could change in such a way as to increase HAP emissions, a discussion of whether establishing limitations on the parameters would serve to limit HAP emissions;

(4) For the parameters which could change in such a way as to increase HAP emissions, a discussion of how you could establish upper and/or lower values for the parameters which would establish limits on the parameters in operating limitations;

(5) For the parameters, a discussion identifying the methods you could use to measure them and the instruments you could use to monitor them, as well as the relative accuracy and precision of the methods and instruments;

(6) For the parameters, a discussion identifying the frequency and methods for recalibrating the instruments you could use to monitor them; and

(7) A discussion of why, from your point of view, it is infeasible or unreasonable to adopt the parameters as operating limitations.

(i) The engine percent load during a performance test must be determined by documenting the calculations, assumptions, and measurement devices used to measure or estimate the percent load in a specific application. A written report of the average percent load determination must be included in the notification of compliance status. The following information must be included in the written report: the engine model number, the engine manufacturer, the year of purchase, the manufacturer's site-rated brake horsepower, the ambient temperature, pressure, and humidity during the performance test, and all assumptions that were made to estimate or calculate percent load during the performance test must be clearly explained. If measurement devices such as flow meters, kilowatt meters, beta analyzers, stain gauges, etc. are used, the model number of the measurement device, and an estimate of its accurate in percentage of true value must be provided.

[69 FR 33506, June 15, 2004, as amended at 75 FR 9676, Mar. 3, 2010; 78 FR 6702, Jan. 30, 2013]

#### **§ 63.6625 What are my monitoring, installation, collection, operation, and maintenance requirements?**

(a) If you elect to install a CEMS as specified in Table 5 of this subpart, you must install, operate, and maintain a CEMS to monitor CO and either O<sub>2</sub> or CO<sub>2</sub> according to the requirements in paragraphs (a)(1) through (4) of this section. If you are meeting a requirement to reduce CO emissions, the CEMS must be installed at both the inlet and outlet of the control device. If you are meeting a requirement to limit the concentration of CO, the CEMS must be installed at the outlet of the control device.

(1) Each CEMS must be installed, operated, and maintained according to the applicable performance specifications of 40 CFR part 60, appendix B.

(2) You must conduct an initial performance evaluation and an annual relative accuracy test audit (RATA) of each CEMS according to the requirements in § 63.8 and according to the applicable performance specifications of 40 CFR part 60, appendix B as well as daily and periodic data quality checks in accordance with 40 CFR part 60, appendix F, procedure 1.

(3) As specified in § 63.8(c)(4)(ii), each CEMS must complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each successive 15-minute period. You must have at least two data points, with each representing a different 15-minute period, to have a valid hour of data.

(4) The CEMS data must be reduced as specified in § 63.8(g)(2) and recorded in parts per million or parts per billion (as appropriate for the applicable limitation) at 15 percent oxygen or the equivalent CO<sub>2</sub> concentration.

(b) If you are required to install a continuous parameter monitoring system (CPMS) as specified in Table 5 of this subpart, you must install, operate, and maintain each CPMS according to the requirements in paragraphs (b)(1) through (6) of this section. For an affected source that is complying with the emission limitations and operating limitations on March 9, 2011, the requirements in paragraph (b) of this section are applicable September 6, 2011.

(1) You must prepare a site-specific monitoring plan that addresses the monitoring system design, data collection, and the quality assurance and quality control elements outlined in paragraphs (b)(1)(i) through (v) of this section and in § 63.8(d). As specified in § 63.8(f)(4), you may request approval of monitoring system quality assurance and quality control procedures alternative to those specified in paragraphs (b)(1) through (5) of this section in your site-specific monitoring plan.

(i) The performance criteria and design specifications for the monitoring system equipment, including the sample interface, detector signal analyzer, and data acquisition and calculations;

(ii) Sampling interface ( e.g., thermocouple) location such that the monitoring system will provide representative measurements;

(iii) Equipment performance evaluations, system accuracy audits, or other audit procedures;

(iv) Ongoing operation and maintenance procedures in accordance with provisions in § 63.8(c)(1)(ii) and (c)(3); and

(v) Ongoing reporting and recordkeeping procedures in accordance with provisions in § 63.10(c), (e)(1), and (e)(2)(i).

(2) You must install, operate, and maintain each CPMS in continuous operation according to the procedures in your site-specific monitoring plan.

(3) The CPMS must collect data at least once every 15 minutes (see also § 63.6635).

(4) For a CPMS for measuring temperature range, the temperature sensor must have a minimum tolerance of 2.8 degrees Celsius (5 degrees Fahrenheit) or 1 percent of the measurement range, whichever is larger.

(5) You must conduct the CPMS equipment performance evaluation, system accuracy audits, or other audit procedures specified in your site-specific monitoring plan at least annually.

(6) You must conduct a performance evaluation of each CPMS in accordance with your site-specific monitoring plan.

(c) If you are operating a new or reconstructed stationary RICE which fires landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, you must monitor and record your fuel usage daily with separate fuel meters to measure the volumetric flow rate of each fuel. In addition, you must operate your stationary RICE in a manner which reasonably minimizes HAP emissions.

(d) If you are operating a new or reconstructed emergency 4SLB stationary RICE with a site rating of greater than or equal to 250 and less than or equal to 500 brake HP located at a major source of HAP emissions, you must install a non-resettable hour meter prior to the startup of the engine.

(e) If you own or operate any of the following stationary RICE, you must operate and maintain the stationary RICE and after-treatment control device (if any) according to the manufacturer's emission-related written instructions or develop your own maintenance plan which must provide to the extent practicable for the maintenance and operation of the engine in a manner consistent with good air pollution control practice for minimizing emissions:

(1) An existing stationary RICE with a site rating of less than 100 HP located at a major source of HAP emissions;

(2) An existing emergency or black start stationary RICE with a site rating of less than or equal to 500 HP located at a major source of HAP emissions;

(3) An existing emergency or black start stationary RICE located at an area source of HAP emissions;

(4) An existing non-emergency, non-black start stationary CI RICE with a site rating less than or equal to 300 HP located at an area source of HAP emissions;

(5) An existing non-emergency, non-black start 2SLB stationary RICE located at an area source of HAP emissions;

(6) An existing non-emergency, non-black start stationary RICE located at an area source of HAP emissions which combusts landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis.

(7) An existing non-emergency, non-black start 4SLB stationary RICE with a site rating less than or equal to 500 HP located at an area source of HAP emissions;

(8) An existing non-emergency, non-black start 4SRB stationary RICE with a site rating less than or equal to 500 HP located at an area source of HAP emissions;

(9) An existing, non-emergency, non-black start 4SLB stationary RICE with a site rating greater than 500 HP located at an area source of HAP emissions that is operated 24 hours or less per calendar year; and

(10) An existing, non-emergency, non-black start 4SRB stationary RICE with a site rating greater than 500 HP located at an area source of HAP emissions that is operated 24 hours or less per calendar year.

(f) If you own or operate an existing emergency stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions or an existing emergency stationary RICE located at an area source of HAP emissions, you must install a non-resettable hour meter if one is not already installed.

(g) If you own or operate an existing non-emergency, non-black start CI engine greater than or equal to 300 HP that is not equipped with a closed crankcase ventilation system, you must comply with either paragraph (g)(1) or paragraph (2) of this section. Owners and operators must follow the manufacturer's specified maintenance requirements for operating and maintaining the open or closed crankcase ventilation systems and replacing the crankcase filters, or can request the Administrator to approve different maintenance requirements that are as protective as manufacturer requirements. Existing CI engines located at area sources in areas of Alaska that meet either § 63.6603(b)(1) or § 63.6603(b)(2) do not have to meet the requirements of this paragraph (g). Existing CI engines located on offshore vessels that meet § 63.6603(c) do not have to meet the requirements of this paragraph (g).

(1) Install a closed crankcase ventilation system that prevents crankcase emissions from being emitted to the atmosphere, or

(2) Install an open crankcase filtration emission control system that reduces emissions from the crankcase by filtering the exhaust stream to remove oil mist, particulates and metals.

(h) If you operate a new, reconstructed, or existing stationary engine, you must minimize the engine's time spent at idle during startup and minimize the engine's startup time to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the emission standards applicable to all times other than startup in Tables 1a, 2a, 2c, and 2d to this subpart apply.

(i) If you own or operate a stationary CI engine that is subject to the work, operation or management practices in items 1 or 2 of Table 2c to this subpart or in items 1 or 4 of Table 2d to this subpart, you have the option of utilizing an oil analysis program in order to extend the specified oil change requirement in Tables 2c and 2d to this subpart. The oil analysis must be performed at the same frequency specified for changing the oil in Table 2c or 2d to this subpart. The analysis program must at a minimum analyze the following three parameters: Total Base Number, viscosity, and percent water content. The condemning limits for these parameters are as follows: Total Base Number is less than 30 percent of the Total Base Number of the oil when new; viscosity of the oil has changed by more than 20 percent from

the viscosity of the oil when new; or percent water content (by volume) is greater than 0.5. If all of these condemning limits are not exceeded, the engine owner or operator is not required to change the oil. If any of the limits are exceeded, the engine owner or operator must change the oil within 2 business days of receiving the results of the analysis; if the engine is not in operation when the results of the analysis are received, the engine owner or operator must change the oil within 2 business days or before commencing operation, whichever is later. The owner or operator must keep records of the parameters that are analyzed as part of the program, the results of the analysis, and the oil changes for the engine. The analysis program must be part of the maintenance plan for the engine.

(j) If you own or operate a stationary SI engine that is subject to the work, operation or management practices in items 6, 7, or 8 of Table 2c to this subpart or in items 5, 6, 7, 9, or 11 of Table 2d to this subpart, you have the option of utilizing an oil analysis program in order to extend the specified oil change requirement in Tables 2c and 2d to this subpart. The oil analysis must be performed at the same frequency specified for changing the oil in Table 2c or 2d to this subpart. The analysis program must at a minimum analyze the following three parameters: Total Acid Number, viscosity, and percent water content. The condemning limits for these parameters are as follows: Total Acid Number increases by more than 3.0 milligrams of potassium hydroxide (KOH) per gram from Total Acid Number of the oil when new; viscosity of the oil has changed by more than 20 percent from the viscosity of the oil when new; or percent water content (by volume) is greater than 0.5. If all of these condemning limits are not exceeded, the engine owner or operator is not required to change the oil. If any of the limits are exceeded, the engine owner or operator must change the oil within 2 business days of receiving the results of the analysis; if the engine is not in operation when the results of the analysis are received, the engine owner or operator must change the oil within 2 business days or before commencing operation, whichever is later. The owner or operator must keep records of the parameters that are analyzed as part of the program, the results of the analysis, and the oil changes for the engine. The analysis program must be part of the maintenance plan for the engine.

[69 FR 33506, June 15, 2004, as amended at 73 FR 3606, Jan. 18, 2008; 75 FR 9676, Mar. 3, 2010; 75 FR 51589, Aug. 20, 2010; 76 FR 12866, Mar. 9, 2011; 78 FR 6703, Jan. 30, 2013]

**§ 63.6630 How do I demonstrate initial compliance with the emission limitations, operating limitations, and other requirements?**

(a) You must demonstrate initial compliance with each emission limitation, operating limitation, and other requirement that applies to you according to Table 5 of this subpart.

(b) During the initial performance test, you must establish each operating limitation in Tables 1b and 2b of this subpart that applies to you.

(c) You must submit the Notification of Compliance Status containing the results of the initial compliance demonstration according to the requirements in § 63.6645.

(d) Non-emergency 4SRB stationary RICE complying with the requirement to reduce formaldehyde emissions by 76 percent or more can demonstrate initial compliance with the formaldehyde emission limit by testing for THC instead of formaldehyde. The testing must be conducted according to the requirements in Table 4 of this subpart. The average reduction of emissions of THC determined from the performance test must be equal to or greater than 30 percent.

(e) The initial compliance demonstration required for existing non-emergency 4SLB and 4SRB stationary RICE with a site rating of more than 500 HP located at an area source of HAP that are not remote stationary RICE and that are operated more than 24 hours per calendar year must be conducted according to the following requirements:

(1) The compliance demonstration must consist of at least three test runs.

(2) Each test run must be of at least 15 minute duration, except that each test conducted using the method in appendix A to this subpart must consist of at least one measurement cycle and include at least 2 minutes of test data phase measurement.

(3) If you are demonstrating compliance with the CO concentration or CO percent reduction requirement, you must measure CO emissions using one of the CO measurement methods specified in Table 4 of this subpart, or using appendix A to this subpart.

(4) If you are demonstrating compliance with the THC percent reduction requirement, you must measure THC emissions using Method 25A, reported as propane, of 40 CFR part 60, appendix A.

(5) You must measure O<sub>2</sub> using one of the O<sub>2</sub> measurement methods specified in Table 4 of this subpart. Measurements to determine O<sub>2</sub> concentration must be made at the same time as the measurements for CO or THC concentration.

(6) If you are demonstrating compliance with the CO or THC percent reduction requirement, you must measure CO or THC emissions and O<sub>2</sub> emissions simultaneously at the inlet and outlet of the control device.

[69 FR 33506, June 15, 2004, as amended at 78 FR 6704, Jan. 30, 2013]

### **Continuous Compliance Requirements**

#### **§ 63.6635 How do I monitor and collect data to demonstrate continuous compliance?**

(a) If you must comply with emission and operating limitations, you must monitor and collect data according to this section.

(b) Except for monitor malfunctions, associated repairs, required performance evaluations, and required quality assurance or control activities, you must monitor continuously at all times that the stationary RICE is operating. A monitoring malfunction is any sudden, infrequent, not reasonably preventable failure of the monitoring to provide valid data. Monitoring failures that are caused in part by poor maintenance or careless operation are not malfunctions.

(c) You may not use data recorded during monitoring malfunctions, associated repairs, and required quality assurance or control activities in data averages and calculations used to report emission or operating levels. You must, however, use all the valid data collected during all other periods.

[69 FR 33506, June 15, 2004, as amended at 76 FR 12867, Mar. 9, 2011]

#### **§ 63.6640 How do I demonstrate continuous compliance with the emission limitations, operating limitations, and other requirements?**

(a) You must demonstrate continuous compliance with each emission limitation, operating limitation, and other requirements in Tables 1a and 1b, Tables 2a and 2b, Table 2c, and Table 2d to this subpart that apply to you according to methods specified in Table 6 to this subpart.

(b) You must report each instance in which you did not meet each emission limitation or operating limitation in Tables 1a and 1b, Tables 2a and 2b, Table 2c, and Table 2d to this subpart that apply to you. These instances are deviations from the emission and operating limitations in this subpart. These deviations must be reported according to the requirements in § 63.6650. If you change your catalyst, you must reestablish the values of the operating parameters measured during the initial performance test. When you reestablish the values of your operating parameters, you must also conduct a performance test to demonstrate that you are meeting the required emission limitation applicable to your stationary RICE.

(c) The annual compliance demonstration required for existing non-emergency 4SLB and 4SRB stationary RICE with a site rating of more than 500 HP located at an area source of HAP that are not remote stationary RICE and that are operated more than 24 hours per calendar year must be conducted according to the following requirements:

(1) The compliance demonstration must consist of at least one test run.

(2) Each test run must be of at least 15 minute duration, except that each test conducted using the method in appendix A to this subpart must consist of at least one measurement cycle and include at least 2 minutes of test data phase measurement.

- (3) If you are demonstrating compliance with the CO concentration or CO percent reduction requirement, you must measure CO emissions using one of the CO measurement methods specified in Table 4 of this subpart, or using appendix A to this subpart.
- (4) If you are demonstrating compliance with the THC percent reduction requirement, you must measure THC emissions using Method 25A, reported as propane, of 40 CFR part 60, appendix A.
- (5) You must measure O<sub>2</sub> using one of the O<sub>2</sub> measurement methods specified in Table 4 of this subpart. Measurements to determine O<sub>2</sub> concentration must be made at the same time as the measurements for CO or THC concentration.
- (6) If you are demonstrating compliance with the CO or THC percent reduction requirement, you must measure CO or THC emissions and O<sub>2</sub> emissions simultaneously at the inlet and outlet of the control device.
- (7) If the results of the annual compliance demonstration show that the emissions exceed the levels specified in Table 6 of this subpart, the stationary RICE must be shut down as soon as safely possible, and appropriate corrective action must be taken (e.g., repairs, catalyst cleaning, catalyst replacement). The stationary RICE must be retested within 7 days of being restarted and the emissions must meet the levels specified in Table 6 of this subpart. If the retest shows that the emissions continue to exceed the specified levels, the stationary RICE must again be shut down as soon as safely possible, and the stationary RICE may not operate, except for purposes of startup and testing, until the owner/operator demonstrates through testing that the emissions do not exceed the levels specified in Table 6 of this subpart.
- (d) For new, reconstructed, and rebuilt stationary RICE, deviations from the emission or operating limitations that occur during the first 200 hours of operation from engine startup (engine burn-in period) are not violations. Rebuilt stationary RICE means a stationary RICE that has been rebuilt as that term is defined in 40 CFR 94.11(a).
- (e) You must also report each instance in which you did not meet the requirements in Table 8 to this subpart that apply to you. If you own or operate a new or reconstructed stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions (except new or reconstructed 4SLB engines greater than or equal to 250 and less than or equal to 500 brake HP), a new or reconstructed stationary RICE located at an area source of HAP emissions, or any of the following RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you do not need to comply with the requirements in Table 8 to this subpart: An existing 2SLB stationary RICE, an existing 4SLB stationary RICE, an existing emergency stationary RICE, an existing limited use stationary RICE, or an existing stationary RICE which fires landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis. If you own or operate any of the following RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you do not need to comply with the requirements in Table 8 to this subpart, except for the initial notification requirements: a new or reconstructed stationary RICE that combusts landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, a new or reconstructed emergency stationary RICE, or a new or reconstructed limited use stationary RICE.
- (f) If you own or operate an emergency stationary RICE, you must operate the emergency stationary RICE according to the requirements in paragraphs (f)(1) through (4) of this section. In order for the engine to be considered an emergency stationary RICE under this subpart, any operation other than emergency operation, maintenance and testing, emergency demand response, and operation in non-emergency situations for 50 hours per year, as described in paragraphs (f)(1) through (4) of this section, is prohibited. If you do not operate the engine according to the requirements in paragraphs (f)(1) through (4) of this section, the engine will not be considered an emergency engine under this subpart and must meet all requirements for non-emergency engines.
- (1) There is no time limit on the use of emergency stationary RICE in emergency situations.
- (2) You may operate your emergency stationary RICE for any combination of the purposes specified in paragraphs (f)(2)(i) through (iii) of this section for a maximum of 100 hours per calendar year. Any operation for non-emergency situations as allowed by paragraphs (f)(3) and (4) of this section counts as part of the 100 hours per calendar year allowed by this paragraph (f)(2).
- (i) Emergency stationary RICE may be operated for maintenance checks and readiness testing, provided that the tests are recommended by federal, state or local government, the manufacturer, the vendor, the regional

transmission organization or equivalent balancing authority and transmission operator, or the insurance company associated with the engine. The owner or operator may petition the Administrator for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the owner or operator maintains records indicating that federal, state, or local standards require maintenance and testing of emergency RICE beyond 100 hours per calendar year.

(ii) Emergency stationary RICE may be operated for emergency demand response for periods in which the Reliability Coordinator under the North American Electric Reliability Corporation (NERC) Reliability Standard EOP-002-3, Capacity and Energy Emergencies (incorporated by reference, see § 63.14), or other authorized entity as determined by the Reliability Coordinator, has declared an Energy Emergency Alert Level 2 as defined in the NERC Reliability Standard EOP-002-3.

(iii) Emergency stationary RICE may be operated for periods where there is a deviation of voltage or frequency of 5 percent or greater below standard voltage or frequency.

(3) Emergency stationary RICE located at major sources of HAP may be operated for up to 50 hours per calendar year in non-emergency situations. The 50 hours of operation in non-emergency situations are counted as part of the 100 hours per calendar year for maintenance and testing and emergency demand response provided in paragraph (f)(2) of this section. The 50 hours per year for non-emergency situations cannot be used for peak shaving or non-emergency demand response, or to generate income for a facility to supply power to an electric grid or otherwise supply power as part of a financial arrangement with another entity.

(4) Emergency stationary RICE located at area sources of HAP may be operated for up to 50 hours per calendar year in non-emergency situations. The 50 hours of operation in non-emergency situations are counted as part of the 100 hours per calendar year for maintenance and testing and emergency demand response provided in paragraph (f)(2) of this section. Except as provided in paragraphs (f)(4)(i) and (ii) of this section, the 50 hours per year for non-emergency situations cannot be used for peak shaving or non-emergency demand response, or to generate income for a facility to an electric grid or otherwise supply power as part of a financial arrangement with another entity.

(i) Prior to May 3, 2014, the 50 hours per year for non-emergency situations can be used for peak shaving or non-emergency demand response to generate income for a facility, or to otherwise supply power as part of a financial arrangement with another entity if the engine is operated as part of a peak shaving (load management program) with the local distribution system operator and the power is provided only to the facility itself or to support the local distribution system.

(ii) The 50 hours per year for non-emergency situations can be used to supply power as part of a financial arrangement with another entity if all of the following conditions are met:

(A) The engine is dispatched by the local balancing authority or local transmission and distribution system operator.

(B) The dispatch is intended to mitigate local transmission and/or distribution limitations so as to avert potential voltage collapse or line overloads that could lead to the interruption of power supply in a local area or region.

(C) The dispatch follows reliability, emergency operation or similar protocols that follow specific NERC, regional, state, public utility commission or local standards or guidelines.

(D) The power is provided only to the facility itself or to support the local transmission and distribution system.

(E) The owner or operator identifies and records the entity that dispatches the engine and the specific NERC, regional, state, public utility commission or local standards or guidelines that are being followed for dispatching the engine. The local balancing authority or local transmission and distribution system operator may keep these records on behalf of the engine owner or operator.

## Notifications, Reports, and Records

### § 63.6645 What notifications must I submit and when?

(a) You must submit all of the notifications in §§ 63.7(b) and (c), 63.8(e), (f)(4) and (f)(6), 63.9(b) through (e), and (g) and (h) that apply to you by the dates specified if you own or operate any of the following;

(1) An existing stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions.

(2) An existing stationary RICE located at an area source of HAP emissions.

(3) A stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions.

(4) A new or reconstructed 4SLB stationary RICE with a site rating of greater than or equal to 250 HP located at a major source of HAP emissions.

(5) This requirement does not apply if you own or operate an existing stationary RICE less than 100 HP, an existing stationary emergency RICE, or an existing stationary RICE that is not subject to any numerical emission standards.

(b) As specified in § 63.9(b)(2), if you start up your stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions before the effective date of this subpart, you must submit an Initial Notification not later than December 13, 2004.

(c) If you start up your new or reconstructed stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions on or after August 16, 2004, you must submit an Initial Notification not later than 120 days after you become subject to this subpart.

(d) As specified in § 63.9(b)(2), if you start up your stationary RICE with a site rating of equal to or less than 500 brake HP located at a major source of HAP emissions before the effective date of this subpart and you are required to submit an initial notification, you must submit an Initial Notification not later than July 16, 2008.

(e) If you start up your new or reconstructed stationary RICE with a site rating of equal to or less than 500 brake HP located at a major source of HAP emissions on or after March 18, 2008 and you are required to submit an initial notification, you must submit an Initial Notification not later than 120 days after you become subject to this subpart.

(f) If you are required to submit an Initial Notification but are otherwise not affected by the requirements of this subpart, in accordance with § 63.6590(b), your notification should include the information in § 63.9(b)(2)(i) through (v), and a statement that your stationary RICE has no additional requirements and explain the basis of the exclusion (for example, that it operates exclusively as an emergency stationary RICE if it has a site rating of more than 500 brake HP located at a major source of HAP emissions).

(g) If you are required to conduct a performance test, you must submit a Notification of Intent to conduct a performance test at least 60 days before the performance test is scheduled to begin as required in § 63.7(b)(1).

(h) If you are required to conduct a performance test or other initial compliance demonstration as specified in Tables 4 and 5 to this subpart, you must submit a Notification of Compliance Status according to § 63.9(h)(2)(ii).

(1) For each initial compliance demonstration required in Table 5 to this subpart that does not include a performance test, you must submit the Notification of Compliance Status before the close of business on the 30th day following the completion of the initial compliance demonstration.

(2) For each initial compliance demonstration required in Table 5 to this subpart that includes a performance test conducted according to the requirements in Table 3 to this subpart, you must submit the Notification of Compliance Status, including the performance test results, before the close of business on the 60th day following the completion of the performance test according to § 63.10(d)(2).

(i) If you own or operate an existing non-emergency CI RICE with a site rating of more than 300 HP located at an area source of HAP emissions that is certified to the Tier 1 or Tier 2 emission standards in Table 1 of 40 CFR 89.112 and subject to an enforceable state or local standard requiring engine replacement and you intend to meet management practices rather than emission limits, as specified in § 63.6603(d), you must submit a notification by March 3, 2013, stating that you intend to use the provision in § 63.6603(d) and identifying the state or local regulation that the engine is subject to.

[73 FR 3606, Jan. 18, 2008, as amended at 75 FR 9677, Mar. 3, 2010; 75 FR 51591, Aug. 20, 2010; 78 FR 6705, Jan. 30, 2013]

**§ 63.6650 What reports must I submit and when?**

(a) You must submit each report in Table 7 of this subpart that applies to you.

(b) Unless the Administrator has approved a different schedule for submission of reports under § 63.10(a), you must submit each report by the date in Table 7 of this subpart and according to the requirements in paragraphs (b)(1) through (b)(9) of this section.

(1) For semiannual Compliance reports, the first Compliance report must cover the period beginning on the compliance date that is specified for your affected source in § 63.6595 and ending on June 30 or December 31, whichever date is the first date following the end of the first calendar half after the compliance date that is specified for your source in § 63.6595.

(2) For semiannual Compliance reports, the first Compliance report must be postmarked or delivered no later than July 31 or January 31, whichever date follows the end of the first calendar half after the compliance date that is specified for your affected source in § 63.6595.

(3) For semiannual Compliance reports, each subsequent Compliance report must cover the semiannual reporting period from January 1 through June 30 or the semiannual reporting period from July 1 through December 31.

(4) For semiannual Compliance reports, each subsequent Compliance report must be postmarked or delivered no later than July 31 or January 31, whichever date is the first date following the end of the semiannual reporting period.

(5) For each stationary RICE that is subject to permitting regulations pursuant to 40 CFR part 70 or 71, and if the permitting authority has established dates for submitting semiannual reports pursuant to 40 CFR 70.6(a)(3)(iii)(A) or 40 CFR 71.6 (a)(3)(iii)(A), you may submit the first and subsequent Compliance reports according to the dates the permitting authority has established instead of according to the dates in paragraphs (b)(1) through (b)(4) of this section.

(6) For annual Compliance reports, the first Compliance report must cover the period beginning on the compliance date that is specified for your affected source in § 63.6595 and ending on December 31.

(7) For annual Compliance reports, the first Compliance report must be postmarked or delivered no later than January 31 following the end of the first calendar year after the compliance date that is specified for your affected source in § 63.6595.

(8) For annual Compliance reports, each subsequent Compliance report must cover the annual reporting period from January 1 through December 31.

(9) For annual Compliance reports, each subsequent Compliance report must be postmarked or delivered no later than January 31.

(c) The Compliance report must contain the information in paragraphs (c)(1) through (6) of this section.

(1) Company name and address.

(2) Statement by a responsible official, with that official's name, title, and signature, certifying the accuracy of the content of the report.

(3) Date of report and beginning and ending dates of the reporting period.

(4) If you had a malfunction during the reporting period, the compliance report must include the number, duration, and a brief description for each type of malfunction which occurred during the reporting period and which caused or may have caused any applicable emission limitation to be exceeded. The report must also include a description of actions taken by an owner or operator during a malfunction of an affected source to minimize emissions in accordance with § 63.6605(b), including actions taken to correct a malfunction.

(5) If there are no deviations from any emission or operating limitations that apply to you, a statement that there were no deviations from the emission or operating limitations during the reporting period.

(6) If there were no periods during which the continuous monitoring system (CMS), including CEMS and CPMS, was out-of-control, as specified in § 63.8(c)(7), a statement that there were no periods during which the CMS was out-of-control during the reporting period.

(d) For each deviation from an emission or operating limitation that occurs for a stationary RICE where you are not using a CMS to comply with the emission or operating limitations in this subpart, the Compliance report must contain the information in paragraphs (c)(1) through (4) of this section and the information in paragraphs (d)(1) and (2) of this section.

(1) The total operating time of the stationary RICE at which the deviation occurred during the reporting period.

(2) Information on the number, duration, and cause of deviations (including unknown cause, if applicable), as applicable, and the corrective action taken.

(e) For each deviation from an emission or operating limitation occurring for a stationary RICE where you are using a CMS to comply with the emission and operating limitations in this subpart, you must include information in paragraphs (c)(1) through (4) and (e)(1) through (12) of this section.

(1) The date and time that each malfunction started and stopped.

(2) The date, time, and duration that each CMS was inoperative, except for zero (low-level) and high-level checks.

(3) The date, time, and duration that each CMS was out-of-control, including the information in § 63.8(c)(8).

(4) The date and time that each deviation started and stopped, and whether each deviation occurred during a period of malfunction or during another period.

(5) A summary of the total duration of the deviation during the reporting period, and the total duration as a percent of the total source operating time during that reporting period.

(6) A breakdown of the total duration of the deviations during the reporting period into those that are due to control equipment problems, process problems, other known causes, and other unknown causes.

(7) A summary of the total duration of CMS downtime during the reporting period, and the total duration of CMS downtime as a percent of the total operating time of the stationary RICE at which the CMS downtime occurred during that reporting period.

(8) An identification of each parameter and pollutant (CO or formaldehyde) that was monitored at the stationary RICE.

(9) A brief description of the stationary RICE.

(10) A brief description of the CMS.

(11) The date of the latest CMS certification or audit.

(12) A description of any changes in CMS, processes, or controls since the last reporting period.

(f) Each affected source that has obtained a title V operating permit pursuant to 40 CFR part 70 or 71 must report all deviations as defined in this subpart in the semiannual monitoring report required by 40 CFR 70.6 (a)(3)(iii)(A) or 40 CFR 71.6(a)(3)(iii)(A). If an affected source submits a Compliance report pursuant to Table 7 of this subpart along with, or as part of, the semiannual monitoring report required by 40 CFR 70.6(a)(3)(iii)(A) or 40 CFR 71.6(a)(3)(iii)(A), and the Compliance report includes all required information concerning deviations from any emission or operating limitation in this subpart, submission of the Compliance report shall be deemed to satisfy any obligation to report the same deviations in the semiannual monitoring report. However, submission of a Compliance report shall not otherwise affect any obligation the affected source may have to report deviations from permit requirements to the permit authority.

(g) If you are operating as a new or reconstructed stationary RICE which fires landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, you must submit an annual report according to Table 7 of this subpart by the date specified unless the Administrator has approved a different schedule, according to the information described in paragraphs (b)(1) through (b)(5) of this section. You must report the data specified in (g)(1) through (g)(3) of this section.

(1) Fuel flow rate of each fuel and the heating values that were used in your calculations. You must also demonstrate that the percentage of heat input provided by landfill gas or digester gas is equivalent to 10 percent or more of the total fuel consumption on an annual basis.

(2) The operating limits provided in your federally enforceable permit, and any deviations from these limits.

(3) Any problems or errors suspected with the meters.

(h) If you own or operate an emergency stationary RICE with a site rating of more than 100 brake HP that operates or is contractually obligated to be available for more than 15 hours per calendar year for the purposes specified in § 63.6640(f)(2)(ii) and (iii) or that operates for the purpose specified in § 63.6640(f)(4)(ii), you must submit an annual report according to the requirements in paragraphs (h)(1) through (3) of this section.

(1) The report must contain the following information:

(i) Company name and address where the engine is located.

(ii) Date of the report and beginning and ending dates of the reporting period.

(iii) Engine site rating and model year.

(iv) Latitude and longitude of the engine in decimal degrees reported to the fifth decimal place.

(v) Hours operated for the purposes specified in § 63.6640(f)(2)(ii) and (iii), including the date, start time, and end time for engine operation for the purposes specified in § 63.6640(f)(2)(ii) and (iii).

(vi) Number of hours the engine is contractually obligated to be available for the purposes specified in § 63.6640(f)(2)(ii) and (iii).

(vii) Hours spent for operation for the purpose specified in § 63.6640(f)(4)(ii), including the date, start time, and end time for engine operation for the purposes specified in § 63.6640(f)(4)(ii). The report must also identify the entity that dispatched the engine and the situation that necessitated the dispatch of the engine.

(viii) If there were no deviations from the fuel requirements in § 63.6604 that apply to the engine (if any), a statement that there were no deviations from the fuel requirements during the reporting period.

(ix) If there were deviations from the fuel requirements in § 63.6604 that apply to the engine (if any), information on the number, duration, and cause of deviations, and the corrective action taken.

(2) The first annual report must cover the calendar year 2015 and must be submitted no later than March 31, 2016. Subsequent annual reports for each calendar year must be submitted no later than March 31 of the following calendar year.

(3) The annual report must be submitted electronically using the subpart specific reporting form in the Compliance and Emissions Data Reporting Interface (CEDRI) that is accessed through EPA's Central Data Exchange (CDX) ([www.epa.gov/cdx](http://www.epa.gov/cdx)). However, if the reporting form specific to this subpart is not available in CEDRI at the time that the report is due, the written report must be submitted to the Administrator at the appropriate address listed in § 63.13.

[69 FR 33506, June 15, 2004, as amended at 75 FR 9677, Mar. 3, 2010; 78 FR 6705, Jan. 30, 2013]

### **§ 63.6655 What records must I keep?**

(a) If you must comply with the emission and operating limitations, you must keep the records described in paragraphs (a)(1) through (a)(5), (b)(1) through (b)(3) and (c) of this section.

(1) A copy of each notification and report that you submitted to comply with this subpart, including all documentation supporting any Initial Notification or Notification of Compliance Status that you submitted, according to the requirement in § 63.10(b)(2)(xiv).

(2) Records of the occurrence and duration of each malfunction of operation ( *i.e.*, process equipment) or the air pollution control and monitoring equipment.

(3) Records of performance tests and performance evaluations as required in § 63.10(b)(2)(viii).

(4) Records of all required maintenance performed on the air pollution control and monitoring equipment.

(5) Records of actions taken during periods of malfunction to minimize emissions in accordance with § 63.6605(b), including corrective actions to restore malfunctioning process and air pollution control and monitoring equipment to its normal or usual manner of operation.

(b) For each CEMS or CPMS, you must keep the records listed in paragraphs (b)(1) through (3) of this section.

(1) Records described in § 63.10(b)(2)(vi) through (xi).

(2) Previous ( *i.e.*, superseded) versions of the performance evaluation plan as required in § 63.8(d)(3).

(3) Requests for alternatives to the relative accuracy test for CEMS or CPMS as required in § 63.8(f)(6)(i), if applicable.

(c) If you are operating a new or reconstructed stationary RICE which fires landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, you must keep the records of your daily fuel usage monitors.

(d) You must keep the records required in Table 6 of this subpart to show continuous compliance with each emission or operating limitation that applies to you.

(e) You must keep records of the maintenance conducted on the stationary RICE in order to demonstrate that you operated and maintained the stationary RICE and after-treatment control device (if any) according to your own maintenance plan if you own or operate any of the following stationary RICE;

(1) An existing stationary RICE with a site rating of less than 100 brake HP located at a major source of HAP emissions.

(2) An existing stationary emergency RICE.

(3) An existing stationary RICE located at an area source of HAP emissions subject to management practices as shown in Table 2d to this subpart.

(f) If you own or operate any of the stationary RICE in paragraphs (f)(1) through (2) of this section, you must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. The owner or operator must document how many hours are spent for emergency operation, including what classified the operation as emergency and how many hours are spent for non-emergency operation. If the engine is used for the purposes specified in § 63.6640(f)(2)(ii) or (iii) or § 63.6640(f)(4)(ii), the owner or operator must keep records of the notification of the emergency situation, and the date, start time, and end time of engine operation for these purposes.

(1) An existing emergency stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions that does not meet the standards applicable to non-emergency engines.

(2) An existing emergency stationary RICE located at an area source of HAP emissions that does not meet the standards applicable to non-emergency engines.

[69 FR 33506, June 15, 2004, as amended at 75 FR 9678, Mar. 3, 2010; 75 FR 51592, Aug. 20, 2010; 78 FR 6706, Jan. 30, 2013]

#### **§ 63.6660 In what form and how long must I keep my records?**

(a) Your records must be in a form suitable and readily available for expeditious review according to § 63.10(b)(1).

(b) As specified in § 63.10(b)(1), you must keep each record for 5 years following the date of each occurrence, measurement, maintenance, corrective action, report, or record.

(c) You must keep each record readily accessible in hard copy or electronic form for at least 5 years after the date of each occurrence, measurement, maintenance, corrective action, report, or record, according to § 63.10(b)(1).

[69 FR 33506, June 15, 2004, as amended at 75 FR 9678, Mar. 3, 2010]

#### **Other Requirements and Information**

#### **§ 63.6665 What parts of the General Provisions apply to me?**

Table 8 to this subpart shows which parts of the General Provisions in §§ 63.1 through 63.15 apply to you. If you own or operate a new or reconstructed stationary RICE with a site rating of less than or equal to 500 brake HP located at a major source of HAP emissions (except new or reconstructed 4SLB engines greater than or equal to 250 and less than or equal to 500 brake HP), a new or reconstructed stationary RICE located at an area source of HAP emissions, or any of the following RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you do not need to comply with any of the requirements of the General Provisions specified in Table 8: An existing 2SLB stationary RICE, an existing 4SLB stationary RICE, an existing stationary RICE that combusts landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, an existing emergency stationary RICE, or an existing limited use stationary RICE. If you own or operate any of the following RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions, you do not need to comply with the requirements in the General Provisions specified in Table 8 except for the initial notification requirements: A new stationary RICE that combusts landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, a new emergency stationary RICE, or a new limited use stationary RICE.

[75 FR 9678, Mar. 3, 2010]

**§ 63.6670 Who implements and enforces this subpart?**

(a) This subpart is implemented and enforced by the U.S. EPA, or a delegated authority such as your State, local, or tribal agency. If the U.S. EPA Administrator has delegated authority to your State, local, or tribal agency, then that agency (as well as the U.S. EPA) has the authority to implement and enforce this subpart. You should contact your U.S. EPA Regional Office to find out whether this subpart is delegated to your State, local, or tribal agency.

(b) In delegating implementation and enforcement authority of this subpart to a State, local, or tribal agency under 40 CFR part 63, subpart E, the authorities contained in paragraph (c) of this section are retained by the Administrator of the U.S. EPA and are not transferred to the State, local, or tribal agency.

(c) The authorities that will not be delegated to State, local, or tribal agencies are:

(1) Approval of alternatives to the non-opacity emission limitations and operating limitations in § 63.6600 under § 63.6(g).

(2) Approval of major alternatives to test methods under § 63.7(e)(2)(ii) and (f) and as defined in § 63.90.

(3) Approval of major alternatives to monitoring under § 63.8(f) and as defined in § 63.90.

(4) Approval of major alternatives to recordkeeping and reporting under § 63.10(f) and as defined in § 63.90.

(5) Approval of a performance test which was conducted prior to the effective date of the rule, as specified in § 63.6610(b).

**§ 63.6675 What definitions apply to this subpart?**

Terms used in this subpart are defined in the Clean Air Act (CAA); in 40 CFR 63.2, the General Provisions of this part; and in this section as follows:

*Alaska Railbelt Grid* means the service areas of the six regulated public utilities that extend from Fairbanks to Anchorage and the Kenai Peninsula. These utilities are Golden Valley Electric Association; Chugach Electric Association; Matanuska Electric Association; Homer Electric Association; Anchorage Municipal Light & Power; and the City of Seward Electric System.

*Area source* means any stationary source of HAP that is not a major source as defined in part 63.

*Associated equipment* as used in this subpart and as referred to in section 112(n)(4) of the CAA, means equipment associated with an oil or natural gas exploration or production well, and includes all equipment from the well bore to the point of custody transfer, except glycol dehydration units, storage vessels with potential for flash emissions, combustion turbines, and stationary RICE.

*Backup power for renewable energy* means an engine that provides backup power to a facility that generates electricity from renewable energy resources, as that term is defined in Alaska Statute 42.45.045(l)(5) (incorporated by reference, see § 63.14).

*Black start engine* means an engine whose only purpose is to start up a combustion turbine.

*CAA* means the Clean Air Act (42 U.S.C. 7401 *et seq.*, as amended by Public Law 101-549, 104 Stat. 2399).

*Commercial emergency stationary RICE* means an emergency stationary RICE used in commercial establishments such as office buildings, hotels, stores, telecommunications facilities, restaurants, financial institutions such as banks, doctor's offices, and sports and performing arts facilities.

*Compression ignition* means relating to a type of stationary internal combustion engine that is not a spark ignition engine.

*Custody transfer* means the transfer of hydrocarbon liquids or natural gas: After processing and/or treatment in the producing operations, or from storage vessels or automatic transfer facilities or other such equipment, including product loading racks, to pipelines or any other forms of transportation. For the purposes of this subpart, the point at which such liquids or natural gas enters a natural gas processing plant is a point of custody transfer.

*Deviation* means any instance in which an affected source subject to this subpart, or an owner or operator of such a source:

- (1) Fails to meet any requirement or obligation established by this subpart, including but not limited to any emission limitation or operating limitation;
- (2) Fails to meet any term or condition that is adopted to implement an applicable requirement in this subpart and that is included in the operating permit for any affected source required to obtain such a permit; or
- (3) Fails to meet any emission limitation or operating limitation in this subpart during malfunction, regardless or whether or not such failure is permitted by this subpart.
- (4) Fails to satisfy the general duty to minimize emissions established by § 63.6(e)(1)(i).

*Diesel engine* means any stationary RICE in which a high boiling point liquid fuel injected into the combustion chamber ignites when the air charge has been compressed to a temperature sufficiently high for auto-ignition. This process is also known as compression ignition.

*Diesel fuel* means any liquid obtained from the distillation of petroleum with a boiling point of approximately 150 to 360 degrees Celsius. One commonly used form is fuel oil number 2. Diesel fuel also includes any non-distillate fuel with comparable physical and chemical properties ( e.g. biodiesel) that is suitable for use in compression ignition engines.

*Digester gas* means any gaseous by-product of wastewater treatment typically formed through the anaerobic decomposition of organic waste materials and composed principally of methane and CO<sub>2</sub> .

*Dual-fuel engine* means any stationary RICE in which a liquid fuel (typically diesel fuel) is used for compression ignition and gaseous fuel (typically natural gas) is used as the primary fuel.

*Emergency stationary RICE* means any stationary reciprocating internal combustion engine that meets all of the criteria in paragraphs (1) through (3) of this definition. All emergency stationary RICE must comply with the requirements specified in § 63.6640(f) in order to be considered emergency stationary RICE. If the engine does not comply with the requirements specified in § 63.6640(f), then it is not considered to be an emergency stationary RICE under this subpart.

- (1) The stationary RICE is operated to provide electrical power or mechanical work during an emergency situation. Examples include stationary RICE used to produce power for critical networks or equipment (including power supplied to portions of a facility) when electric power from the local utility (or the normal power source, if the facility runs on its own power production) is interrupted, or stationary RICE used to pump water in the case of fire or flood, etc.
- (2) The stationary RICE is operated under limited circumstances for situations not included in paragraph (1) of this definition, as specified in § 63.6640(f).
- (3) The stationary RICE operates as part of a financial arrangement with another entity in situations not included in paragraph (1) of this definition only as allowed in § 63.6640(f)(2)(ii) or (iii) and § 63.6640(f)(4)(i) or (ii).

*Engine startup* means the time from initial start until applied load and engine and associated equipment reaches steady state or normal operation. For stationary engine with catalytic controls, engine startup means the time from initial start until applied load and engine and associated equipment, including the catalyst, reaches steady state or normal operation.

*Four-stroke engine* means any type of engine which completes the power cycle in two crankshaft revolutions, with intake and compression strokes in the first revolution and power and exhaust strokes in the second revolution.

*Gaseous fuel* means a material used for combustion which is in the gaseous state at standard atmospheric temperature and pressure conditions.

*Gasoline* means any fuel sold in any State for use in motor vehicles and motor vehicle engines, or nonroad or stationary engines, and commonly or commercially known or sold as gasoline.

*Glycol dehydration unit* means a device in which a liquid glycol (including, but not limited to, ethylene glycol, diethylene glycol, or triethylene glycol) absorbent directly contacts a natural gas stream and absorbs water in a contact tower or absorption column (absorber). The glycol contacts and absorbs water vapor and other gas stream constituents from the natural gas and becomes "rich" glycol. This glycol is then regenerated in the glycol dehydration unit reboiler. The "lean" glycol is then recycled.

*Hazardous air pollutants (HAP)* means any air pollutants listed in or pursuant to section 112(b) of the CAA.

*Institutional emergency stationary RICE* means an emergency stationary RICE used in institutional establishments such as medical centers, nursing homes, research centers, institutions of higher education, correctional facilities, elementary and secondary schools, libraries, religious establishments, police stations, and fire stations.

*ISO standard day conditions* means 288 degrees Kelvin (15 degrees Celsius), 60 percent relative humidity and 101.3 kilopascals pressure.

*Landfill gas* means a gaseous by-product of the land application of municipal refuse typically formed through the anaerobic decomposition of waste materials and composed principally of methane and CO<sub>2</sub>.

*Lean burn engine* means any two-stroke or four-stroke spark ignited engine that does not meet the definition of a rich burn engine.

*Limited use stationary RICE* means any stationary RICE that operates less than 100 hours per year.

*Liquefied petroleum gas* means any liquefied hydrocarbon gas obtained as a by-product in petroleum refining of natural gas production.

*Liquid fuel* means any fuel in liquid form at standard temperature and pressure, including but not limited to diesel, residual/crude oil, kerosene/naphtha (jet fuel), and gasoline.

*Major Source*, as used in this subpart, shall have the same meaning as in § 63.2, except that:

- (1) Emissions from any oil or gas exploration or production well (with its associated equipment (as defined in this section)) and emissions from any pipeline compressor station or pump station shall not be aggregated with emissions from other similar units, to determine whether such emission points or stations are major sources, even when emission points are in a contiguous area or under common control;
- (2) For oil and gas production facilities, emissions from processes, operations, or equipment that are not part of the same oil and gas production facility, as defined in § 63.1271 of subpart HHH of this part, shall not be aggregated;
- (3) For production field facilities, only HAP emissions from glycol dehydration units, storage vessel with the potential for flash emissions, combustion turbines and reciprocating internal combustion engines shall be aggregated for a major source determination; and
- (4) Emissions from processes, operations, and equipment that are not part of the same natural gas transmission and storage facility, as defined in § 63.1271 of subpart HHH of this part, shall not be aggregated.

*Malfunction* means any sudden, infrequent, and not reasonably preventable failure of air pollution control equipment, process equipment, or a process to operate in a normal or usual manner which causes, or has the potential to cause, the emission limitations in an applicable standard to be exceeded. Failures that are caused in part by poor maintenance or careless operation are not malfunctions.

*Natural gas* means a naturally occurring mixture of hydrocarbon and non-hydrocarbon gases found in geologic formations beneath the Earth's surface, of which the principal constituent is methane. Natural gas may be field or pipeline quality.

*Non-selective catalytic reduction (NSCR)* means an add-on catalytic nitrogen oxides (NO<sub>x</sub>) control device for rich burn engines that, in a two-step reaction, promotes the conversion of excess oxygen, NO<sub>x</sub>, CO, and volatile organic compounds (VOC) into CO<sub>2</sub>, nitrogen, and water.

*Oil and gas production facility* as used in this subpart means any grouping of equipment where hydrocarbon liquids are processed, upgraded (i.e., remove impurities or other constituents to meet contract specifications), or stored prior to the point of custody transfer; or where natural gas is processed, upgraded, or stored prior to entering the natural gas transmission and storage source category. For purposes of a major source determination, facility (including a building, structure, or installation) means oil and natural gas production and processing equipment that is located within the boundaries of an individual surface site as defined in this section. Equipment that is part of a facility will typically be located within close proximity to other equipment located at the same facility. Pieces of production equipment or groupings of equipment located on different oil and gas leases, mineral fee tracts, lease tracts, subsurface or surface unit areas, surface fee tracts, surface lease tracts, or separate surface sites, whether or not connected by a road, waterway, power line or pipeline, shall not be considered part of the same facility. Examples of facilities in the oil and natural gas production source category include, but are not limited to, well sites, satellite tank batteries, central tank batteries, a compressor station that transports natural gas to a natural gas processing plant, and natural gas processing plants.

*Oxidation catalyst* means an add-on catalytic control device that controls CO and VOC by oxidation.

*Peaking unit or engine* means any standby engine intended for use during periods of high demand that are not emergencies.

*Percent load* means the fractional power of an engine compared to its maximum manufacturer's design capacity at engine site conditions. Percent load may range between 0 percent to above 100 percent.

*Potential to emit* means the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the stationary source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is federally enforceable. For oil and natural gas production facilities subject to subpart HH of this part, the potential to emit provisions in § 63.760(a) may be used. For natural gas transmission and storage facilities subject to subpart HHH of this part, the maximum annual facility gas throughput for storage facilities may be determined according to § 63.1270(a)(1) and the maximum annual throughput for transmission facilities may be determined according to § 63.1270(a)(2).

*Production field facility* means those oil and gas production facilities located prior to the point of custody transfer.

*Production well* means any hole drilled in the earth from which crude oil, condensate, or field natural gas is extracted.

*Propane* means a colorless gas derived from petroleum and natural gas, with the molecular structure C<sub>3</sub> H<sub>8</sub>.

*Remote stationary RICE* means stationary RICE meeting any of the following criteria:

(1) Stationary RICE located in an offshore area that is beyond the line of ordinary low water along that portion of the coast of the United States that is in direct contact with the open seas and beyond the line marking the seaward limit of inland waters.

(2) Stationary RICE located on a pipeline segment that meets both of the criteria in paragraphs (2)(i) and (ii) of this definition.

(i) A pipeline segment with 10 or fewer buildings intended for human occupancy and no buildings with four or more stories within 220 yards (200 meters) on either side of the centerline of any continuous 1-mile (1.6 kilometers) length of pipeline. Each separate dwelling unit in a multiple dwelling unit building is counted as a separate building intended for human occupancy.

(ii) The pipeline segment does not lie within 100 yards (91 meters) of either a building or a small, well-defined outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period. The days and weeks need not be consecutive. The building or area is considered occupied for a full day if it is occupied for any portion of the day.

(iii) For purposes of this paragraph (2), the term pipeline segment means all parts of those physical facilities through which gas moves in transportation, including but not limited to pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies. Stationary RICE located within 50 yards (46 meters) of the pipeline segment providing power for equipment on a pipeline segment are part of the pipeline segment. Transportation of gas means the gathering, transmission, or distribution of gas by pipeline, or the storage of gas. A building is intended for human occupancy if its primary use is for a purpose involving the presence of humans.

(3) Stationary RICE that are not located on gas pipelines and that have 5 or fewer buildings intended for human occupancy and no buildings with four or more stories within a 0.25 mile radius around the engine. A building is intended for human occupancy if its primary use is for a purpose involving the presence of humans.

*Residential emergency stationary RICE* means an emergency stationary RICE used in residential establishments such as homes or apartment buildings.

*Responsible official* means responsible official as defined in 40 CFR 70.2.

*Rich burn engine* means any four-stroke spark ignited engine where the manufacturer's recommended operating air/fuel ratio divided by the stoichiometric air/fuel ratio at full load conditions is less than or equal to 1.1. Engines originally manufactured as rich burn engines, but modified prior to December 19, 2002 with passive emission control technology for NO<sub>x</sub> (such as pre-combustion chambers) will be considered lean burn engines. Also, existing engines where there are no manufacturer's recommendations regarding air/fuel ratio will be considered a rich burn engine if the excess oxygen content of the exhaust at full load conditions is less than or equal to 2 percent.

*Site-rated HP* means the maximum manufacturer's design capacity at engine site conditions.

*Spark ignition* means relating to either: A gasoline-fueled engine; or any other type of engine with a spark plug (or other sparking device) and with operating characteristics significantly similar to the theoretical Otto combustion cycle. Spark ignition engines usually use a throttle to regulate intake air flow to control power during normal operation. Dual-fuel engines in which a liquid fuel (typically diesel fuel) is used for CI and gaseous fuel (typically natural gas) is used as the primary fuel at an annual average ratio of less than 2 parts diesel fuel to 100 parts total fuel on an energy equivalent basis are spark ignition engines.

*Stationary reciprocating internal combustion engine (RICE)* means any reciprocating internal combustion engine which uses reciprocating motion to convert heat energy into mechanical work and which is not mobile. Stationary RICE differ from mobile RICE in that a stationary RICE is not a non-road engine as defined at 40 CFR 1068.30, and is not used to propel a motor vehicle or a vehicle used solely for competition.

*Stationary RICE test cell/stand* means an engine test cell/stand, as defined in subpart P of this part, that tests stationary RICE.

*Stoichiometric* means the theoretical air-to-fuel ratio required for complete combustion.

*Storage vessel with the potential for flash emissions* means any storage vessel that contains a hydrocarbon liquid with a stock tank gas-to-oil ratio equal to or greater than 0.31 cubic meters per liter and an American Petroleum

Institute gravity equal to or greater than 40 degrees and an actual annual average hydrocarbon liquid throughput equal to or greater than 79,500 liters per day. Flash emissions occur when dissolved hydrocarbons in the fluid evolve from solution when the fluid pressure is reduced.

*Subpart* means 40 CFR part 63, subpart ZZZZ.

*Surface site* means any combination of one or more graded pad sites, gravel pad sites, foundations, platforms, or the immediate physical location upon which equipment is physically affixed.

*Two-stroke engine* means a type of engine which completes the power cycle in single crankshaft revolution by combining the intake and compression operations into one stroke and the power and exhaust operations into a second stroke. This system requires auxiliary scavenging and inherently runs lean of stoichiometric.

[69 FR 33506, June 15, 2004, as amended at 71 FR 20467, Apr. 20, 2006; 73 FR 3607, Jan. 18, 2008; 75 FR 9679, Mar. 3, 2010; 75 FR 51592, Aug. 20, 2010; 76 FR 12867, Mar. 9, 2011; 78 FR 6706, Jan. 30, 2013]

**Table 1 a to Subpart ZZZZ of Part 63—Emission Limitations for Existing, New, and Reconstructed Spark Ignition, 4SRB Stationary RICE > 500 HP Located at a Major Source of HAP Emissions**

As stated in §§ 63.6600 and 63.6640, you must comply with the following emission limitations at 100 percent load plus or minus 10 percent for existing, new and reconstructed 4SRB stationary RICE >500 HP located at a major source of HAP emissions:

For each . . .	You must meet the following emission limitation, except during periods of startup . . .	During periods of startup you must . . .
1. 4SRB stationary RICE	a. Reduce formaldehyde emissions by 76 percent or more. If you commenced construction or reconstruction between December 19, 2002 and June 15, 2004, you may reduce formaldehyde emissions by 75 percent or more until June 15, 2007 or	Minimize the engine's time spent at idle and minimize the engine's startup time at startup to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the non-startup emission limitations apply. <sup>1</sup>
	b. Limit the concentration of formaldehyde in the stationary RICE exhaust to 350 ppbvd or less at 15 percent O <sub>2</sub>	

<sup>1</sup>Sources can petition the Administrator pursuant to the requirements of 40 CFR 63.6(g) for alternative work practices.

[75 FR 9679, Mar. 3, 2010, as amended at 75 FR 51592, Aug. 20, 2010]

**Table 1 b to Subpart ZZZZ of Part 63—Operating Limitations for Existing, New, and Reconstructed SI 4SRB Stationary RICE >500 HP Located at a Major Source of HAP Emissions**

As stated in §§ 63.6600, 63.6603, 63.6630 and 63.6640, you must comply with the following operating limitations for existing, new and reconstructed 4SRB stationary RICE >500 HP located at a major source of HAP emissions:

For each . . .	You must meet the following operating limitation, except during periods of startup . . .
1. existing, new and reconstructed 4SRB stationary RICE >500 HP located at a major source of HAP emissions complying with the requirement to reduce formaldehyde emissions by 76 percent or more (or by 75 percent or more, if applicable) and using NSCR; or existing, new and reconstructed 4SRB stationary RICE >500 HP located at a major source of HAP emissions complying with the requirement to limit the concentration of formaldehyde in the stationary RICE exhaust to 350 ppbvd or less at 15 percent O <sub>2</sub> and using NSCR;	a. maintain your catalyst so that the pressure drop across the catalyst does not change by more than 2 inches of water at 100 percent load plus or minus 10 percent from the pressure drop across the catalyst measured during the initial performance test; and b. maintain the temperature of your stationary RICE exhaust so that the catalyst inlet temperature is greater than or equal to 750 °F and less than or equal to 1250 °F. <sup>1</sup>
2. existing, new and reconstructed 4SRB stationary RICE >500 HP located at a major source of HAP emissions complying with the requirement to reduce formaldehyde emissions by 76 percent or more (or by 75 percent or more, if applicable) and not using NSCR; or	Comply with any operating limitations approved by the Administrator.
existing, new and reconstructed 4SRB stationary RICE >500 HP located at a major source of HAP emissions complying with the requirement to limit the concentration of formaldehyde in the stationary RICE exhaust to 350 ppbvd or less at 15 percent O <sub>2</sub> and not using NSCR.	

<sup>1</sup> Sources can petition the Administrator pursuant to the requirements of 40 CFR 63.8(f) for a different temperature range.

[78 FR 6706, Jan. 30, 2013]

**Table 2 a to Subpart ZZZZ of Part 63—Emission Limitations for New and Reconstructed 2SLB and Compression Ignition Stationary RICE >500 HP and New and Reconstructed 4SLB Stationary RICE ≥250 HP Located at a Major Source of HAP Emissions**

As stated in §§ 63.6600 and 63.6640, you must comply with the following emission limitations for new and reconstructed lean burn and new and reconstructed compression ignition stationary RICE at 100 percent load plus or minus 10 percent:

For each . . .	You must meet the following emission limitation, except during periods of startup . . .	During periods of startup you must . . .
1. 2SLB stationary RICE	a. Reduce CO emissions by 58 percent or more; or b. Limit concentration of formaldehyde in the stationary RICE exhaust to 12 ppmvd or less at 15 percent O <sub>2</sub> . If you commenced construction or reconstruction between December 19, 2002 and June 15, 2004, you may limit concentration of formaldehyde to 17 ppmvd or less at 15 percent O <sub>2</sub> until June 15, 2007	Minimize the engine's time spent at idle and minimize the engine's startup time at startup to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the non-startup emission limitations apply. <sup>1</sup>
2. 4SLB stationary RICE	a. Reduce CO emissions by 93 percent or more; or	
	b. Limit concentration of formaldehyde in the stationary RICE exhaust to 14 ppmvd or less at 15 percent O <sub>2</sub>	

For each . . .	You must meet the following emission limitation, except during periods of startup . . .	During periods of startup you must . . .
3. CI stationary RICE	a. Reduce CO emissions by 70 percent or more; or	
	b. Limit concentration of formaldehyde in the stationary RICE exhaust to 580 ppbvd or less at 15 percent O <sub>2</sub>	

<sup>1</sup> Sources can petition the Administrator pursuant to the requirements of 40 CFR 63.6(g) for alternative work practices.

[75 FR 9680, Mar. 3, 2010]

**Table 2 b to Subpart ZZZZ of Part 63—Operating Limitations for New and Reconstructed 2SLB and CI Stationary RICE >500 HP Located at a Major Source of HAP Emissions, New and Reconstructed 4SLB Stationary RICE ≥250 HP Located at a Major Source of HAP Emissions, Existing CI Stationary RICE >500 HP**

As stated in §§ 63.6600, 63.6601, 63.6603, 63.6630, and 63.6640, you must comply with the following operating limitations for new and reconstructed 2SLB and CI stationary RICE >500 HP located at a major source of HAP emissions; new and reconstructed 4SLB stationary RICE ≥250 HP located at a major source of HAP emissions; and existing CI stationary RICE >500 HP:

For each . . .	You must meet the following operating limitation, except during periods of startup . . .
1. New and reconstructed 2SLB and CI stationary RICE >500 HP located at a major source of HAP emissions and new and reconstructed 4SLB stationary RICE ≥250 HP located at a major source of HAP emissions complying with the requirement to reduce CO emissions and using an oxidation catalyst; and New and reconstructed 2SLB and CI stationary RICE >500 HP located at a major source of HAP emissions and new and reconstructed 4SLB stationary RICE ≥250 HP located at a major source of HAP emissions complying with the requirement to limit the concentration of formaldehyde in the stationary RICE exhaust and using an oxidation catalyst.	a. maintain your catalyst so that the pressure drop across the catalyst does not change by more than 2 inches of water at 100 percent load plus or minus 10 percent from the pressure drop across the catalyst that was measured during the initial performance test; and b. maintain the temperature of your stationary RICE exhaust so that the catalyst inlet temperature is greater than or equal to 450 °F and less than or equal to 1350 °F. <sup>1</sup>
2. Existing CI stationary RICE >500 HP complying with the requirement to limit or reduce the concentration of CO in the stationary RICE exhaust and using an oxidation catalyst	a. maintain your catalyst so that the pressure drop across the catalyst does not change by more than 2 inches of water from the pressure drop across the catalyst that was measured during the initial performance test; and b. maintain the temperature of your stationary RICE exhaust so that the catalyst inlet temperature is greater than or equal to 450 °F and less than or equal to 1350 °F. <sup>1</sup>
3. New and reconstructed 2SLB and CI stationary RICE >500 HP located at a major source of HAP emissions and new and reconstructed 4SLB stationary RICE ≥250 HP located at a major source of HAP emissions complying with the requirement to reduce CO emissions and not using an oxidation catalyst; and	Comply with any operating limitations approved by the Administrator.
New and reconstructed 2SLB and CI stationary RICE >500 HP located at a major source of HAP emissions and new and reconstructed 4SLB stationary RICE ≥250 HP located at a major source of HAP emissions complying with the requirement to limit the concentration of formaldehyde in the stationary RICE exhaust and not using an oxidation catalyst; and	

For each . . .	You must meet the following operating limitation, except during periods of startup . . .
existing CI stationary RICE >500 HP complying with the requirement to limit or reduce the concentration of CO in the stationary RICE exhaust and not using an oxidation catalyst.	

<sup>1</sup> Sources can petition the Administrator pursuant to the requirements of 40 CFR 63.8(f) for a different temperature range.

[78 FR 6707, Jan. 30, 2013]

**Table 2 c to Subpart ZZZZ of Part 63—Requirements for Existing Compression Ignition Stationary RICE Located at a Major Source of HAP Emissions and Existing Spark Ignition Stationary RICE ≤500 HP Located at a Major Source of HAP Emissions**

As stated in §§ 63.6600, 63.6602, and 63.6640, you must comply with the following requirements for existing compression ignition stationary RICE located at a major source of HAP emissions and existing spark ignition stationary RICE ≤500 HP located at a major source of HAP emissions:

For each . . .	You must meet the following requirement, except during periods of startup . . .	During periods of startup you must . . .
1. Emergency stationary CI RICE and black start stationary CI RICE <sup>1</sup>	a. Change oil and filter every 500 hours of operation or annually, whichever comes first. <sup>2</sup> b. Inspect air cleaner every 1,000 hours of operation or annually, whichever comes first, and replace as necessary; c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary. <sup>3</sup>	Minimize the engine's time spent at idle and minimize the engine's startup time at startup to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the non-startup emission limitations apply. <sup>3</sup>
2. Non-Emergency, non-black start stationary CI RICE <100 HP	a. Change oil and filter every 1,000 hours of operation or annually, whichever comes first. <sup>2</sup> b. Inspect air cleaner every 1,000 hours of operation or annually, whichever comes first, and replace as necessary; c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary. <sup>3</sup>	
3. Non-Emergency, non-black start CI stationary RICE 100≤HP≤300 HP	Limit concentration of CO in the stationary RICE exhaust to 230 ppmvd or less at 15 percent O <sub>2</sub> .	

For each . . .	You must meet the following requirement, except during periods of startup . . .	During periods of startup you must . . .
4. Non-Emergency, non-black start CI stationary RICE 300<HP≤500	a. Limit concentration of CO in the stationary RICE exhaust to 49 ppmvd or less at 15 percent O <sub>2</sub> ; or b. Reduce CO emissions by 70 percent or more.	
5. Non-Emergency, non-black start stationary CI RICE >500 HP	a. Limit concentration of CO in the stationary RICE exhaust to 23 ppmvd or less at 15 percent O <sub>2</sub> ; or b. Reduce CO emissions by 70 percent or more.	
6. Emergency stationary SI RICE and black start stationary SI RICE. <sup>1</sup>	a. Change oil and filter every 500 hours of operation or annually, whichever comes first; <sup>2</sup> b. Inspect spark plugs every 1,000 hours of operation or annually, whichever comes first, and replace as necessary; c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary. <sup>3</sup>	
7. Non-Emergency, non-black start stationary SI RICE <100 HP that are not 2SLB stationary RICE	a. Change oil and filter every 1,440 hours of operation or annually, whichever comes first; <sup>2</sup> b. Inspect spark plugs every 1,440 hours of operation or annually, whichever comes first, and replace as necessary;	
	c. Inspect all hoses and belts every 1,440 hours of operation or annually, whichever comes first, <sup>3</sup> and replace as necessary. <sup>3</sup>	
8. Non-Emergency, non-black start 2SLB stationary SI RICE <100 HP	a. Change oil and filter every 4,320 hours of operation or annually, whichever comes first; <sup>2</sup> b. Inspect spark plugs every 4,320 hours of operation or annually, whichever comes first, and replace as necessary;	
	c. Inspect all hoses and belts every 4,320 hours of operation or annually, whichever comes first, and replace as necessary. <sup>3</sup>	

For each . . .	You must meet the following requirement, except during periods of startup . . .	During periods of startup you must . . .
9. Non-emergency, non-black start 2SLB stationary RICE 100≤HP≤500	Limit concentration of CO in the stationary RICE exhaust to 225 ppmvd or less at 15 percent O <sub>2</sub> .	
10. Non-emergency, non-black start 4SLB stationary RICE 100≤HP≤500	Limit concentration of CO in the stationary RICE exhaust to 47 ppmvd or less at 15 percent O <sub>2</sub> .	
11. Non-emergency, non-black start 4SRB stationary RICE 100≤HP≤500	Limit concentration of formaldehyde in the stationary RICE exhaust to 10.3 ppmvd or less at 15 percent O <sub>2</sub> .	
12. Non-emergency, non-black start stationary RICE 100≤HP≤500 which combusts landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis	Limit concentration of CO in the stationary RICE exhaust to 177 ppmvd or less at 15 percent O <sub>2</sub> .	

<sup>1</sup> If an emergency engine is operating during an emergency and it is not possible to shut down the engine in order to perform the work practice requirements on the schedule required in Table 2c of this subpart, or if performing the work practice on the required schedule would otherwise pose an unacceptable risk under federal, state, or local law, the work practice can be delayed until the emergency is over or the unacceptable risk under federal, state, or local law has abated. The work practice should be performed as soon as practicable after the emergency has ended or the unacceptable risk under federal, state, or local law has abated. Sources must report any failure to perform the work practice on the schedule required and the federal, state or local law under which the risk was deemed unacceptable.

<sup>2</sup> Sources have the option to utilize an oil analysis program as described in § 63.6625(i) or (j) in order to extend the specified oil change requirement in Table 2c of this subpart.

<sup>3</sup> Sources can petition the Administrator pursuant to the requirements of 40 CFR 63.6(g) for alternative work practices.

[78 FR 6708, Jan. 30, 2013, as amended at 78 FR 14457, Mar. 6, 2013]

**Table 2 d to Subpart ZZZZ of Part 63—Requirements for Existing Stationary RICE Located at Area Sources of HAP Emissions**

As stated in §§ 63.6603 and 63.6640, you must comply with the following requirements for existing stationary RICE located at area sources of HAP emissions:

For each . . .	You must meet the following requirement, except during periods of startup . . .	During periods of startup you must . . .
1. Non-Emergency, non-black start CI stationary RICE ≤300 HP	a. Change oil and filter every 1,000 hours of operation or annually, whichever comes first; <sup>1</sup> b. Inspect air cleaner every 1,000 hours of operation or annually, whichever comes first, and replace as necessary; c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary.	Minimize the engine's time spent at idle and minimize the engine's startup time at startup to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the non-startup emission limitations apply.
2. Non-Emergency, non-black start CI stationary RICE 300<HP≤500	a. Limit concentration of CO in the stationary RICE exhaust to 49 ppmvd at 15 percent O <sub>2</sub> ; or	
	b. Reduce CO emissions by 70 percent or more.	
3. Non-Emergency, non-black start CI stationary RICE >500 HP	a. Limit concentration of CO in the stationary RICE exhaust to 23 ppmvd at 15 percent O <sub>2</sub> ; or	
	b. Reduce CO emissions by 70 percent or more.	
4. Emergency stationary CI RICE and black start stationary CI RICE. <sup>2</sup>	a. Change oil and filter every 500 hours of operation or annually, whichever comes first; <sup>1</sup>	
	b. Inspect air cleaner every 1,000 hours of operation or annually, whichever comes first, and replace as necessary; and	
	c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary.	

For each . . .	You must meet the following requirement, except during periods of startup . . .	During periods of startup you must . . .
5. Emergency stationary SI RICE; black start stationary SI RICE; non-emergency, non-black start 4SLB stationary RICE >500 HP that operate 24 hours or less per calendar year; non-emergency, non-black start 4SRB stationary RICE >500 HP that operate 24 hours or less per calendar year. <sup>2</sup>	a. Change oil and filter every 500 hours of operation or annually, whichever comes first; <sup>1</sup> b. Inspect spark plugs every 1,000 hours of operation or annually, whichever comes first, and replace as necessary; and c. Inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, and replace as necessary.	
6. Non-emergency, non-black start 2SLB stationary RICE	a. Change oil and filter every 4,320 hours of operation or annually, whichever comes first; <sup>1</sup>	
	b. Inspect spark plugs every 4,320 hours of operation or annually, whichever comes first, and replace as necessary; and	
	c. Inspect all hoses and belts every 4,320 hours of operation or annually, whichever comes first, and replace as necessary.	
7. Non-emergency, non-black start 4SLB stationary RICE ≤500 HP	a. Change oil and filter every 1,440 hours of operation or annually, whichever comes first; <sup>1</sup>	
	b. Inspect spark plugs every 1,440 hours of operation or annually, whichever comes first, and replace as necessary; and	
	c. Inspect all hoses and belts every 1,440 hours of operation or annually, whichever comes first, and replace as necessary.	
8. Non-emergency, non-black start 4SLB remote stationary RICE >500 HP	a. Change oil and filter every 2,160 hours of operation or annually, whichever comes first; <sup>1</sup>	
	b. Inspect spark plugs every 2,160 hours of operation or annually, whichever comes first, and replace as necessary; and	

For each . . .	You must meet the following requirement, except during periods of startup . . .	During periods of startup you must . . .
	c. Inspect all hoses and belts every 2,160 hours of operation or annually, whichever comes first, and replace as necessary.	
9. Non-emergency, non-black start 4SLB stationary RICE >500 HP that are not remote stationary RICE and that operate more than 24 hours per calendar year	Install an oxidation catalyst to reduce HAP emissions from the stationary RICE.	
10. Non-emergency, non-black start 4SRB stationary RICE ≤500 HP	a. Change oil and filter every 1,440 hours of operation or annually, whichever comes first; <sup>1</sup>	
	b. Inspect spark plugs every 1,440 hours of operation or annually, whichever comes first, and replace as necessary; and	
	c. Inspect all hoses and belts every 1,440 hours of operation or annually, whichever comes first, and replace as necessary.	
11. Non-emergency, non-black start 4SRB remote stationary RICE >500 HP	a. Change oil and filter every 2,160 hours of operation or annually, whichever comes first; <sup>1</sup>	
	b. Inspect spark plugs every 2,160 hours of operation or annually, whichever comes first, and replace as necessary; and	
	c. Inspect all hoses and belts every 2,160 hours of operation or annually, whichever comes first, and replace as necessary.	
12. Non-emergency, non-black start 4SRB stationary RICE >500 HP that are not remote stationary RICE and that operate more than 24 hours per calendar year	Install NSCR to reduce HAP emissions from the stationary RICE.	
13. Non-emergency, non-black start stationary RICE which combusts landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis	a. Change oil and filter every 1,440 hours of operation or annually, whichever comes first; <sup>1</sup> b. Inspect spark plugs every 1,440 hours of operation or annually, whichever comes first, and replace as necessary; and	

For each . . .	You must meet the following requirement, except during periods of startup . . .	During periods of startup you must . . .
	c. Inspect all hoses and belts every 1,440 hours of operation or annually, whichever comes first, and replace as necessary.	

<sup>1</sup> Sources have the option to utilize an oil analysis program as described in § 63.6625(i) or (j) in order to extend the specified oil change requirement in Table 2d of this subpart.

<sup>2</sup> If an emergency engine is operating during an emergency and it is not possible to shut down the engine in order to perform the management practice requirements on the schedule required in Table 2d of this subpart, or if performing the management practice on the required schedule would otherwise pose an unacceptable risk under federal, state, or local law, the management practice can be delayed until the emergency is over or the unacceptable risk under federal, state, or local law has abated. The management practice should be performed as soon as practicable after the emergency has ended or the unacceptable risk under federal, state, or local law has abated. Sources must report any failure to perform the management practice on the schedule required and the federal, state or local law under which the risk was deemed unacceptable.

[78 FR 6709, Jan. 30, 2013]

**Table 3 to Subpart ZZZZ of Part 63—Subsequent Performance Tests**

As stated in §§ 63.6615 and 63.6620, you must comply with the following subsequent performance test requirements:

For each . . .	Complying with the requirement to . . .	You must . . .
1. New or reconstructed 2SLB stationary RICE >500 HP located at major sources; new or reconstructed 4SLB stationary RICE ≥250 HP located at major sources; and new or reconstructed CI stationary RICE >500 HP located at major sources	Reduce CO emissions and not using a CEMS	Conduct subsequent performance tests semiannually. <sup>1</sup>
2. 4SRB stationary RICE ≥5,000 HP located at major sources	Reduce formaldehyde emissions	Conduct subsequent performance tests semiannually. <sup>1</sup>
3. Stationary RICE >500 HP located at major sources and new or reconstructed 4SLB stationary RICE 250≤HP≤500 located at major sources	Limit the concentration of formaldehyde in the stationary RICE exhaust	Conduct subsequent performance tests semiannually. <sup>1</sup>
4. Existing non-emergency, non-black start CI stationary RICE >500 HP that are not limited use stationary RICE	Limit or reduce CO emissions and not using a CEMS	Conduct subsequent performance tests every 8,760 hours or 3 years, whichever comes first.
5. Existing non-emergency, non-black start CI stationary RICE >500 HP that are limited use stationary RICE	Limit or reduce CO emissions and not using a CEMS	Conduct subsequent performance tests every 8,760 hours or 5 years, whichever comes first.

<sup>1</sup> After you have demonstrated compliance for two consecutive tests, you may reduce the frequency of subsequent performance tests to annually. If the results of any subsequent annual performance test indicate the stationary RICE is not in compliance with the CO or formaldehyde emission limitation, or you deviate from any of your operating limitations, you must resume semiannual performance tests.

[78 FR 6711, Jan. 30, 2013]

**Table 4 to Subpart ZZZZ of Part 63—Requirements for Performance Tests**

As stated in §§ 63.6610, 63.6611, 63.6612, 63.6620, and 63.6640, you must comply with the following requirements for performance tests for stationary RICE:

For each . . .	Complying with the requirement to . . .	You must . . .	Using . . .	According to the following requirements . . .
1. 2SLB, 4SLB, and CI stationary RICE	a. reduce CO emissions	i. Measure the O <sub>2</sub> at the inlet and outlet of the control device; and	(1) Method 3 or 3A or 3B of 40 CFR part 60, appendix A, or ASTM Method D6522-00 (Reapproved 2005). <sup>a c</sup>	(a) Measurements to determine O <sub>2</sub> must be made at the same time as the measurements for CO concentration.
		ii. Measure the CO at the inlet and the outlet of the control device	(1) ASTM D6522-00 (Reapproved 2005) <sup>a b c</sup> or Method 10 of 40 CFR part 60, appendix A	(a) The CO concentration must be at 15 percent O <sub>2</sub> , dry basis.
2. 4SRB stationary RICE	a. reduce formaldehyde emissions	i. Select the sampling port location and the number of traverse points; and	(1) Method 1 or 1A of 40 CFR part 60, appendix A § 63.7(d)(1)(i)	(a) sampling sites must be located at the inlet and outlet of the control device.
		ii. Measure O <sub>2</sub> at the inlet and outlet of the control device; and	(1) Method 3 or 3A or 3B of 40 CFR part 60, appendix A, or ASTM Method D6522-00 (Reapproved 2005). <sup>a</sup>	(a) measurements to determine O <sub>2</sub> concentration must be made at the same time as the measurements for formaldehyde or THC concentration.
		iii. Measure moisture content at the inlet and outlet of the control device; and	(1) Method 4 of 40 CFR part 60, appendix A, or Test Method 320 of 40 CFR part 63, appendix A, or ASTM D 6348-03. <sup>a</sup>	(a) measurements to determine moisture content must be made at the same time and location as the measurements for formaldehyde or THC concentration.
		iv. If demonstrating compliance with the formaldehyde percent reduction requirement, measure formaldehyde at the inlet and the outlet of the control device	(1) Method 320 or 323 of 40 CFR part 63, appendix A; or ASTM D6348-03, <sup>a</sup> provided in ASTM D6348-03 Annex A5 (Analyte Spiking Technique), the percent R must be greater than or equal to 70 and less than or equal to 130	(a) formaldehyde concentration must be at 15 percent O <sub>2</sub> , dry basis. Results of this test consist of the average of the three 1-hour or longer runs.
		v. If demonstrating compliance with the THC percent reduction requirement, measure THC at the inlet and the outlet of the control device	(1) Method 25A, reported as propane, of 40 CFR part 60, appendix A	(a) THC concentration must be at 15 percent O <sub>2</sub> , dry basis. Results of this test consist of the average of the three 1-hour or longer runs.
3. Stationary RICE	a. limit the concentration of formaldehyde or CO in the stationary RICE exhaust	i. Select the sampling port location and the number of traverse points; and	(1) Method 1 or 1A of 40 CFR part 60, appendix A § 63.7(d)(1)(i)	(a) if using a control device, the sampling site must be located at the outlet of the control device.

For each . . .	Complying with the requirement to . . .	You must . . .	Using . . .	According to the following requirements . . .
		ii. Determine the O <sub>2</sub> concentration of the stationary RICE exhaust at the sampling port location; and	(1) Method 3 or 3A or 3B of 40 CFR part 60, appendix A, or ASTM Method D6522-00 (Reapproved 2005). <sup>a</sup>	(a) measurements to determine O <sub>2</sub> concentration must be made at the same time and location as the measurements for formaldehyde or CO concentration.
		iii. Measure moisture content of the stationary RICE exhaust at the sampling port location; and	(1) Method 4 of 40 CFR part 60, appendix A, or Test Method 320 of 40 CFR part 63, appendix A, or ASTM D 6348-03. <sup>a</sup>	(a) measurements to determine moisture content must be made at the same time and location as the measurements for formaldehyde or CO concentration.
		iv. Measure formaldehyde at the exhaust of the stationary RICE; or	(1) Method 320 or 323 of 40 CFR part 63, appendix A; or ASTM D6348-03, <sup>a</sup> provided in ASTM D6348-03 Annex A5 (Analyte Spiking Technique), the percent R must be greater than or equal to 70 and less than or equal to 130	(a) Formaldehyde concentration must be at 15 percent O <sub>2</sub> , dry basis. Results of this test consist of the average of the three 1-hour or longer runs.
		v. measure CO at the exhaust of the stationary RICE.	(1) Method 10 of 40 CFR part 60, appendix A, ASTM Method D6522-00 (2005), <sup>a</sup> Method 320 of 40 CFR part 63, appendix A, or ASTM D6348-03. <sup>a</sup>	(a) CO concentration must be at 15 percent O <sub>2</sub> , dry basis. Results of this test consist of the average of the three 1-hour or longer runs.

<sup>a</sup> Incorporated by reference, see 40 CFR 63.14. You may also obtain copies from University Microfilms International, 300 North Zeeb Road, Ann Arbor, MI 48106.

<sup>b</sup> You may also use Method 320 of 40 CFR part 63, appendix A, or ASTM D6348-03.

<sup>c</sup> ASTM-D6522-00 (2005) may be used to test both CI and SI stationary RICE.

**Table 5 to Subpart ZZZZ of Part 63—Initial Compliance With Emission Limitations, Operating Limitations, and Other Requirements**

As stated in §§ 63.6612, 63.6625 and 63.6630, you must initially comply with the emission and operating limitations as required by the following:

For each . . .	Complying with the requirement to . . .	You have demonstrated initial compliance if . . .
<p>1. New or reconstructed non-emergency 2SLB stationary RICE &gt;500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE ≥250 HP located at a major source of HAP, non-emergency stationary CI RICE &gt;500 HP located at a major source of HAP, and existing non-emergency stationary CI RICE &gt;500 HP located at an area source of HAP</p>	<p>a. Reduce CO emissions and using oxidation catalyst, and using a CPMS</p>	<p>i. The average reduction of emissions of CO determined from the initial performance test achieves the required CO percent reduction; and ii. You have installed a CPMS to continuously monitor catalyst inlet temperature according to the requirements in § 63.6625(b); and iii. You have recorded the catalyst pressure drop and catalyst inlet temperature during the initial performance test.</p>
<p>2. Non-emergency stationary CI RICE &gt;500 HP located at a major source of HAP, and existing non-emergency stationary CI RICE &gt;500 HP located at an area source of HAP</p>	<p>a. Limit the concentration of CO, using oxidation catalyst, and using a CPMS</p>	<p>i. The average CO concentration determined from the initial performance test is less than or equal to the CO emission limitation; and</p>
		<p>ii. You have installed a CPMS to continuously monitor catalyst inlet temperature according to the requirements in § 63.6625(b); and</p>
		<p>iii. You have recorded the catalyst pressure drop and catalyst inlet temperature during the initial performance test.</p>
<p>3. New or reconstructed non-emergency 2SLB stationary RICE &gt;500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE ≥250 HP located at a major source of HAP, non-emergency stationary CI RICE &gt;500 HP located at a major source of HAP, and existing non-emergency stationary CI RICE &gt;500 HP located at an area source of HAP</p>	<p>a. Reduce CO emissions and not using oxidation catalyst</p>	<p>i. The average reduction of emissions of CO determined from the initial performance test achieves the required CO percent reduction; and ii. You have installed a CPMS to continuously monitor operating parameters approved by the Administrator (if any) according to the requirements in § 63.6625(b); and iii. You have recorded the approved operating parameters (if any) during the initial performance test.</p>
<p>4. Non-emergency stationary CI RICE &gt;500 HP located at a major source of HAP, and existing non-emergency stationary CI RICE &gt;500 HP located at an area source of HAP</p>	<p>a. Limit the concentration of CO, and not using oxidation catalyst</p>	<p>i. The average CO concentration determined from the initial performance test is less than or equal to the CO emission limitation; and ii. You have installed a CPMS to continuously monitor operating parameters approved by the Administrator (if any) according to the requirements in § 63.6625(b); and</p>
		<p>iii. You have recorded the approved operating parameters (if any) during the initial performance test.</p>

For each . . .	Complying with the requirement to . . .	You have demonstrated initial compliance if . . .
5. New or reconstructed non-emergency 2SLB stationary RICE >500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE ≥250 HP located at a major source of HAP, non-emergency stationary CI RICE >500 HP located at a major source of HAP, and existing non-emergency stationary CI RICE >500 HP located at an area source of HAP	a. Reduce CO emissions, and using a CEMS	i. You have installed a CEMS to continuously monitor CO and either O <sub>2</sub> or CO <sub>2</sub> at both the inlet and outlet of the oxidation catalyst according to the requirements in § 63.6625(a); and ii. You have conducted a performance evaluation of your CEMS using PS 3 and 4A of 40 CFR part 60, appendix B; and
		iii. The average reduction of CO calculated using § 63.6620 equals or exceeds the required percent reduction. The initial test comprises the first 4-hour period after successful validation of the CEMS. Compliance is based on the average percent reduction achieved during the 4-hour period.
6. Non-emergency stationary CI RICE >500 HP located at a major source of HAP, and existing non-emergency stationary CI RICE >500 HP located at an area source of HAP	a. Limit the concentration of CO, and using a CEMS	i. You have installed a CEMS to continuously monitor CO and either O <sub>2</sub> or CO <sub>2</sub> at the outlet of the oxidation catalyst according to the requirements in § 63.6625(a); and
		ii. You have conducted a performance evaluation of your CEMS using PS 3 and 4A of 40 CFR part 60, appendix B; and
		iii. The average concentration of CO calculated using § 63.6620 is less than or equal to the CO emission limitation. The initial test comprises the first 4-hour period after successful validation of the CEMS. Compliance is based on the average concentration measured during the 4-hour period.
7. Non-emergency 4SRB stationary RICE >500 HP located at a major source of HAP	a. Reduce formaldehyde emissions and using NSCR	i. The average reduction of emissions of formaldehyde determined from the initial performance test is equal to or greater than the required formaldehyde percent reduction, or the average reduction of emissions of THC determined from the initial performance test is equal to or greater than 30 percent; and
		ii. You have installed a CPMS to continuously monitor catalyst inlet temperature according to the requirements in § 63.6625(b); and
		iii. You have recorded the catalyst pressure drop and catalyst inlet temperature during the initial performance test.
8. Non-emergency 4SRB stationary RICE >500 HP located at a major source of HAP	a. Reduce formaldehyde emissions and not using NSCR	i. The average reduction of emissions of formaldehyde determined from the initial performance test is equal to or greater than the required formaldehyde percent reduction or the average reduction of emissions of THC determined from the initial performance test is equal to or greater than 30 percent; and

For each . . .	Complying with the requirement to . . .	You have demonstrated initial compliance if . . .
		ii. You have installed a CPMS to continuously monitor operating parameters approved by the Administrator (if any) according to the requirements in § 63.6625(b); and
		iii. You have recorded the approved operating parameters (if any) during the initial performance test.
9. New or reconstructed non-emergency stationary RICE >500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE 250≤HP≤500 located at a major source of HAP, and existing non-emergency 4SRB stationary RICE >500 HP located at a major source of HAP	a. Limit the concentration of formaldehyde in the stationary RICE exhaust and using oxidation catalyst or NSCR	i. The average formaldehyde concentration, corrected to 15 percent O <sub>2</sub> , dry basis, from the three test runs is less than or equal to the formaldehyde emission limitation; and ii. You have installed a CPMS to continuously monitor catalyst inlet temperature according to the requirements in § 63.6625(b); and
		iii. You have recorded the catalyst pressure drop and catalyst inlet temperature during the initial performance test.
10. New or reconstructed non-emergency stationary RICE >500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE 250≤HP≤500 located at a major source of HAP, and existing non-emergency 4SRB stationary RICE >500 HP located at a major source of HAP	a. Limit the concentration of formaldehyde in the stationary RICE exhaust and not using oxidation catalyst or NSCR	i. The average formaldehyde concentration, corrected to 15 percent O <sub>2</sub> , dry basis, from the three test runs is less than or equal to the formaldehyde emission limitation; and ii. You have installed a CPMS to continuously monitor operating parameters approved by the Administrator (if any) according to the requirements in § 63.6625(b); and
		iii. You have recorded the approved operating parameters (if any) during the initial performance test.
11. Existing non-emergency stationary RICE 100≤HP≤500 located at a major source of HAP, and existing non-emergency stationary CI RICE 300<HP≤500 located at an area source of HAP	a. Reduce CO emissions	i. The average reduction of emissions of CO or formaldehyde, as applicable determined from the initial performance test is equal to or greater than the required CO or formaldehyde, as applicable, percent reduction.
12. Existing non-emergency stationary RICE 100≤HP≤500 located at a major source of HAP, and existing non-emergency stationary CI RICE 300<HP≤500 located at an area source of HAP	a. Limit the concentration of formaldehyde or CO in the stationary RICE exhaust	i. The average formaldehyde or CO concentration, as applicable, corrected to 15 percent O <sub>2</sub> , dry basis, from the three test runs is less than or equal to the formaldehyde or CO emission limitation, as applicable.
13. Existing non-emergency 4SLB stationary RICE >500 HP located at an area source of HAP that are not remote stationary RICE and that are operated more than 24 hours per calendar year	a. Install an oxidation catalyst	i. You have conducted an initial compliance demonstration as specified in § 63.6630(e) to show that the average reduction of emissions of CO is 93 percent or more, or the average CO concentration is less than or equal to 47 ppmvd at 15 percent O <sub>2</sub> ;
		ii. You have installed a CPMS to continuously monitor catalyst inlet temperature according to the requirements in § 63.6625(b), or you have installed equipment to automatically shut down the engine if the catalyst inlet temperature exceeds 1350 °F.

For each . . .	Complying with the requirement to . . .	You have demonstrated initial compliance if . . .
14. Existing non-emergency 4SRB stationary RICE >500 HP located at an area source of HAP that are not remote stationary RICE and that are operated more than 24 hours per calendar year	a. Install NSCR	i. You have conducted an initial compliance demonstration as specified in § 63.6630(e) to show that the average reduction of emissions of CO is 75 percent or more, the average CO concentration is less than or equal to 270 ppmvd at 15 percent O <sub>2</sub> , or the average reduction of emissions of THC is 30 percent or more;
		ii. You have installed a CPMS to continuously monitor catalyst inlet temperature according to the requirements in § 63.6625(b), or you have installed equipment to automatically shut down the engine if the catalyst inlet temperature exceeds 1250 °F.

[78 FR 6712, Jan. 30, 2013]

**Table 6 to Subpart ZZZZ of Part 63—Continuous Compliance With Emission Limitations, and Other Requirements**

As stated in § 63.6640, you must continuously comply with the emissions and operating limitations and work or management practices as required by the following:

For each . . .	Complying with the requirement to . . .	You must demonstrate continuous compliance by . . .
1. New or reconstructed non-emergency 2SLB stationary RICE >500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE ≥250 HP located at a major source of HAP, and new or reconstructed non-emergency CI stationary RICE >500 HP located at a major source of HAP	a. Reduce CO emissions and using an oxidation catalyst, and using a CPMS	i. Conducting semiannual performance tests for CO to demonstrate that the required CO percent reduction is achieved <sup>a</sup> ; and ii. Collecting the catalyst inlet temperature data according to § 63.6625(b); and iii. Reducing these data to 4-hour rolling averages; and
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the catalyst inlet temperature; and
		v. Measuring the pressure drop across the catalyst once per month and demonstrating that the pressure drop across the catalyst is within the operating limitation established during the performance test.
2. New or reconstructed non-emergency 2SLB stationary RICE >500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE ≥250 HP located at a major source of HAP, and new or reconstructed non-emergency CI stationary RICE >500 HP located at a major source of HAP	a. Reduce CO emissions and not using an oxidation catalyst, and using a CPMS	i. Conducting semiannual performance tests for CO to demonstrate that the required CO percent reduction is achieved <sup>a</sup> ; and ii. Collecting the approved operating parameter (if any) data according to § 63.6625(b); and iii. Reducing these data to 4-hour rolling averages; and

For each . . .	Complying with the requirement to . . .	You must demonstrate continuous compliance by . . .
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the operating parameters established during the performance test.
3. New or reconstructed non-emergency 2SLB stationary RICE >500 HP located at a major source of HAP, new or reconstructed non-emergency 4SLB stationary RICE ≥250 HP located at a major source of HAP, new or reconstructed non-emergency stationary CI RICE >500 HP located at a major source of HAP, and existing non-emergency stationary CI RICE >500 HP	a. Reduce CO emissions or limit the concentration of CO in the stationary RICE exhaust, and using a CEMS	i. Collecting the monitoring data according to § 63.6625(a), reducing the measurements to 1-hour averages, calculating the percent reduction or concentration of CO emissions according to § 63.6620; and ii. Demonstrating that the catalyst achieves the required percent reduction of CO emissions over the 4-hour averaging period, or that the emission remain at or below the CO concentration limit; and
		iii. Conducting an annual RATA of your CEMS using PS 3 and 4A of 40 CFR part 60, appendix B, as well as daily and periodic data quality checks in accordance with 40 CFR part 60, appendix F, procedure 1.
4. Non-emergency 4SRB stationary RICE >500 HP located at a major source of HAP	a. Reduce formaldehyde emissions and using NSCR	i. Collecting the catalyst inlet temperature data according to § 63.6625(b); and
		ii. Reducing these data to 4-hour rolling averages; and
		iii. Maintaining the 4-hour rolling averages within the operating limitations for the catalyst inlet temperature; and
		iv. Measuring the pressure drop across the catalyst once per month and demonstrating that the pressure drop across the catalyst is within the operating limitation established during the performance test.
5. Non-emergency 4SRB stationary RICE >500 HP located at a major source of HAP	a. Reduce formaldehyde emissions and not using NSCR	i. Collecting the approved operating parameter (if any) data according to § 63.6625(b); and
		ii. Reducing these data to 4-hour rolling averages; and
		iii. Maintaining the 4-hour rolling averages within the operating limitations for the operating parameters established during the performance test.
6. Non-emergency 4SRB stationary RICE with a brake HP ≥5,000 located at a major source of HAP	a. Reduce formaldehyde emissions	Conducting semiannual performance tests for formaldehyde to demonstrate that the required formaldehyde percent reduction is achieved, or to demonstrate that the average reduction of emissions of THC determined from the performance test is equal to or greater than 30 percent. <sup>a</sup>

For each . . .	Complying with the requirement to . . .	You must demonstrate continuous compliance by . . .
7. New or reconstructed non-emergency stationary RICE >500 HP located at a major source of HAP and new or reconstructed non-emergency 4SLB stationary RICE 250≤HP≤500 located at a major source of HAP	a. Limit the concentration of formaldehyde in the stationary RICE exhaust and using oxidation catalyst or NSCR	i. Conducting semiannual performance tests for formaldehyde to demonstrate that your emissions remain at or below the formaldehyde concentration limit <sup>a</sup> ; and ii. Collecting the catalyst inlet temperature data according to § 63.6625(b); and
		iii. Reducing these data to 4-hour rolling averages; and
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the catalyst inlet temperature; and
		v. Measuring the pressure drop across the catalyst once per month and demonstrating that the pressure drop across the catalyst is within the operating limitation established during the performance test.
8. New or reconstructed non-emergency stationary RICE >500 HP located at a major source of HAP and new or reconstructed non-emergency 4SLB stationary RICE 250≤HP≤500 located at a major source of HAP	a. Limit the concentration of formaldehyde in the stationary RICE exhaust and not using oxidation catalyst or NSCR	i. Conducting semiannual performance tests for formaldehyde to demonstrate that your emissions remain at or below the formaldehyde concentration limit <sup>a</sup> ; and ii. Collecting the approved operating parameter (if any) data according to § 63.6625(b); and
		iii. Reducing these data to 4-hour rolling averages; and
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the operating parameters established during the performance test.
9. Existing emergency and black start stationary RICE ≤500 HP located at a major source of HAP, existing non-emergency stationary RICE <100 HP located at a major source of HAP, existing emergency and black start stationary RICE located at an area source of HAP, existing non-emergency stationary CI RICE ≤300 HP located at an area source of HAP, existing non-emergency 2SLB stationary RICE located at an area source of HAP, existing non-emergency stationary SI RICE located at an area source of HAP which combusts landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, existing non-emergency 4SLB and 4SRB stationary RICE ≤500 HP located at an area source of HAP, existing non-emergency 4SLB and 4SRB stationary RICE >500 HP located at an area source of HAP that operate 24 hours or less per calendar year, and existing non-emergency 4SLB and 4SRB stationary RICE >500 HP located at an area source of HAP that are remote stationary RICE	a. Work or Management practices	i. Operating and maintaining the stationary RICE according to the manufacturer's emission-related operation and maintenance instructions; or ii. Develop and follow your own maintenance plan which must provide to the extent practicable for the maintenance and operation of the engine in a manner consistent with good air pollution control practice for minimizing emissions.

For each . . .	Complying with the requirement to . . .	You must demonstrate continuous compliance by . . .
10. Existing stationary CI RICE >500 HP that are not limited use stationary RICE	a. Reduce CO emissions, or limit the concentration of CO in the stationary RICE exhaust, and using oxidation catalyst	i. Conducting performance tests every 8,760 hours or 3 years, whichever comes first, for CO or formaldehyde, as appropriate, to demonstrate that the required CO or formaldehyde, as appropriate, percent reduction is achieved or that your emissions remain at or below the CO or formaldehyde concentration limit; and
		ii. Collecting the catalyst inlet temperature data according to § 63.6625(b); and
		iii. Reducing these data to 4-hour rolling averages; and
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the catalyst inlet temperature; and
		v. Measuring the pressure drop across the catalyst once per month and demonstrating that the pressure drop across the catalyst is within the operating limitation established during the performance test.
11. Existing stationary CI RICE >500 HP that are not limited use stationary RICE	a. Reduce CO emissions, or limit the concentration of CO in the stationary RICE exhaust, and not using oxidation catalyst	i. Conducting performance tests every 8,760 hours or 3 years, whichever comes first, for CO or formaldehyde, as appropriate, to demonstrate that the required CO or formaldehyde, as appropriate, percent reduction is achieved or that your emissions remain at or below the CO or formaldehyde concentration limit; and
		ii. Collecting the approved operating parameter (if any) data according to § 63.6625(b); and
		iii. Reducing these data to 4-hour rolling averages; and
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the operating parameters established during the performance test.
12. Existing limited use CI stationary RICE >500 HP	a. Reduce CO emissions or limit the concentration of CO in the stationary RICE exhaust, and using an oxidation catalyst	i. Conducting performance tests every 8,760 hours or 5 years, whichever comes first, for CO or formaldehyde, as appropriate, to demonstrate that the required CO or formaldehyde, as appropriate, percent reduction is achieved or that your emissions remain at or below the CO or formaldehyde concentration limit; and
		ii. Collecting the catalyst inlet temperature data according to § 63.6625(b); and
		iii. Reducing these data to 4-hour rolling averages; and

For each . . .	Complying with the requirement to . . .	You must demonstrate continuous compliance by . . .
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the catalyst inlet temperature; and
		v. Measuring the pressure drop across the catalyst once per month and demonstrating that the pressure drop across the catalyst is within the operating limitation established during the performance test.
13. Existing limited use CI stationary RICE >500 HP	a. Reduce CO emissions or limit the concentration of CO in the stationary RICE exhaust, and not using an oxidation catalyst	i. Conducting performance tests every 8,760 hours or 5 years, whichever comes first, for CO or formaldehyde, as appropriate, to demonstrate that the required CO or formaldehyde, as appropriate, percent reduction is achieved or that your emissions remain at or below the CO or formaldehyde concentration limit; and
		ii. Collecting the approved operating parameter (if any) data according to § 63.6625(b); and
		iii. Reducing these data to 4-hour rolling averages; and
		iv. Maintaining the 4-hour rolling averages within the operating limitations for the operating parameters established during the performance test.
14. Existing non-emergency 4SLB stationary RICE >500 HP located at an area source of HAP that are not remote stationary RICE and that are operated more than 24 hours per calendar year	a. Install an oxidation catalyst	i. Conducting annual compliance demonstrations as specified in § 63.6640(c) to show that the average reduction of emissions of CO is 93 percent or more, or the average CO concentration is less than or equal to 47 ppmvd at 15 percent O <sub>2</sub> ; and either ii. Collecting the catalyst inlet temperature data according to § 63.6625(b), reducing these data to 4-hour rolling averages; and maintaining the 4-hour rolling averages within the limitation of greater than 450 °F and less than or equal to 1350 °F for the catalyst inlet temperature; or iii. Immediately shutting down the engine if the catalyst inlet temperature exceeds 1350 °F.

For each . . .	Complying with the requirement to . . .	You must demonstrate continuous compliance by . . .
15. Existing non-emergency 4SRB stationary RICE >500 HP located at an area source of HAP that are not remote stationary RICE and that are operated more than 24 hours per calendar year	a. Install NSCR	i. Conducting annual compliance demonstrations as specified in § 63.6640(c) to show that the average reduction of emissions of CO is 75 percent or more, the average CO concentration is less than or equal to 270 ppmvd at 15 percent O <sub>2</sub> , or the average reduction of emissions of THC is 30 percent or more; and either ii. Collecting the catalyst inlet temperature data according to § 63.6625(b), reducing these data to 4-hour rolling averages; and maintaining the 4-hour rolling averages within the limitation of greater than or equal to 750 °F and less than or equal to 1250 °F for the catalyst inlet temperature; or iii. Immediately shutting down the engine if the catalyst inlet temperature exceeds 1250 °F.

<sup>a</sup> After you have demonstrated compliance for two consecutive tests, you may reduce the frequency of subsequent performance tests to annually. If the results of any subsequent annual performance test indicate the stationary RICE is not in compliance with the CO or formaldehyde emission limitation, or you deviate from any of your operating limitations, you must resume semiannual performance tests.

[78 FR 6715, Jan. 30, 2013]

**Table 7 to Subpart ZZZZ of Part 63—Requirements for Reports**

As stated in § 63.6650, you must comply with the following requirements for reports:

For each . . .	You must submit a . . .	The report must contain . . .	You must submit the report . . .
1. Existing non-emergency, non-black start stationary RICE 100≤HP≤500 located at a major source of HAP; existing non-emergency, non-black start stationary CI RICE >500 HP located at a major source of HAP; existing non-emergency 4SRB stationary RICE >500 HP located at a major source of HAP; existing non-emergency, non-black start stationary CI RICE >300 HP located at an area source of HAP; new or reconstructed non-emergency stationary RICE >500 HP located at a major source of HAP; and new or reconstructed non-emergency 4SLB stationary RICE 250≤HP≤500 located at a major source of HAP	Compliance report	a. If there are no deviations from any emission limitations or operating limitations that apply to you, a statement that there were no deviations from the emission limitations or operating limitations during the reporting period. If there were no periods during which the CMS, including CEMS and CPMS, was out-of-control, as specified in § 63.8(c)(7), a statement that there were not periods during which the CMS was out-of-control during the reporting period; or	i. Semiannually according to the requirements in § 63.6650(b)(1)-(5) for engines that are not limited use stationary RICE subject to numerical emission limitations; and ii. Annually according to the requirements in § 63.6650(b)(6)-(9) for engines that are limited use stationary RICE subject to numerical emission limitations.

For each . . .	You must submit a . . .	The report must contain . . .	You must submit the report . . .
		b. If you had a deviation from any emission limitation or operating limitation during the reporting period, the information in § 63.6650(d). If there were periods during which the CMS, including CEMS and CPMS, was out-of-control, as specified in § 63.8(c)(7), the information in § 63.6650(e); or	i. Semiannually according to the requirements in § 63.6650(b).
		c. If you had a malfunction during the reporting period, the information in § 63.6650(c)(4).	i. Semiannually according to the requirements in § 63.6650(b).
2. New or reconstructed non-emergency stationary RICE that combusts landfill gas or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis	Report	a. The fuel flow rate of each fuel and the heating values that were used in your calculations, and you must demonstrate that the percentage of heat input provided by landfill gas or digester gas, is equivalent to 10 percent or more of the gross heat input on an annual basis; and	i. Annually, according to the requirements in § 63.6650.
		b. The operating limits provided in your federally enforceable permit, and any deviations from these limits; and	i. See item 2.a.i.
		c. Any problems or errors suspected with the meters.	i. See item 2.a.i.
3. Existing non-emergency, non-black start 4SLB and 4SRB stationary RICE >500 HP located at an area source of HAP that are not remote stationary RICE and that operate more than 24 hours per calendar year	Compliance report	a. The results of the annual compliance demonstration, if conducted during the reporting period.	i. Semiannually according to the requirements in § 63.6650(b)(1)-(5).
4. Emergency stationary RICE that operate or are contractually obligated to be available for more than 15 hours per year for the purposes specified in § 63.6640(f)(2)(ii) and (iii) or that operate for the purposes specified in § 63.6640(f)(4)( ii)	Report	a. The information in § 63.6650(h)(1)	i. annually according to the requirements in § 63.6650(h)(2)-(3).

[78 FR 6719, Jan. 30, 2013]

**Table 8 to Subpart ZZZZ of Part 63—Applicability of General Provisions to Subpart ZZZZ.**

As stated in § 63.6665, you must comply with the following applicable general provisions.

General provisions citation	Subject of citation	Applies to subpart	Explanation
§ 63.1	General applicability of the General Provisions	Yes.	
§ 63.2	Definitions	Yes	Additional terms defined in § 63.6675.

General provisions citation	Subject of citation	Applies to subpart	Explanation
§ 63.3	Units and abbreviations	Yes.	
§ 63.4	Prohibited activities and circumvention	Yes.	
§ 63.5	Construction and reconstruction	Yes.	
§ 63.6(a)	Applicability	Yes.	
§ 63.6(b)(1)-(4)	Compliance dates for new and reconstructed sources	Yes.	
§ 63.6(b)(5)	Notification	Yes.	
§ 63.6(b)(6)	[Reserved]		
§ 63.6(b)(7)	Compliance dates for new and reconstructed area sources that become major sources	Yes.	
§ 63.6(c)(1)-(2)	Compliance dates for existing sources	Yes.	
§ 63.6(c)(3)-(4)	[Reserved]		
§ 63.6(c)(5)	Compliance dates for existing area sources that become major sources	Yes.	
§ 63.6(d)	[Reserved]		
§ 63.6(e)	Operation and maintenance	No.	
§ 63.6(f)(1)	Applicability of standards	No.	
§ 63.6(f)(2)	Methods for determining compliance	Yes.	
§ 63.6(f)(3)	Finding of compliance	Yes.	
§ 63.6(g)(1)-(3)	Use of alternate standard	Yes.	
§ 63.6(h)	Opacity and visible emission standards	No	Subpart ZZZZ does not contain opacity or visible emission standards.
§ 63.6(i)	Compliance extension procedures and criteria	Yes.	
§ 63.6(j)	Presidential compliance exemption	Yes.	
§ 63.7(a)(1)-(2)	Performance test dates	Yes	Subpart ZZZZ contains performance test dates at §§ 63.6610, 63.6611, and 63.6612.
§ 63.7(a)(3)	CAA section 114 authority	Yes.	
§ 63.7(b)(1)	Notification of performance test	Yes	Except that § 63.7(b)(1) only applies as specified in § 63.6645.
§ 63.7(b)(2)	Notification of rescheduling	Yes	Except that § 63.7(b)(2) only applies as specified in § 63.6645.
§ 63.7(c)	Quality assurance/test plan	Yes	Except that § 63.7(c) only applies as specified in § 63.6645.
§ 63.7(d)	Testing facilities	Yes.	
§ 63.7(e)(1)	Conditions for conducting performance tests	No.	Subpart ZZZZ specifies conditions for conducting performance tests at § 63.6620.
§ 63.7(e)(2)	Conduct of performance tests and reduction of data	Yes	Subpart ZZZZ specifies test methods at § 63.6620.
§ 63.7(e)(3)	Test run duration	Yes.	

General provisions citation	Subject of citation	Applies to subpart	Explanation
§ 63.7(e)(4)	Administrator may require other testing under section 114 of the CAA	Yes.	
§ 63.7(f)	Alternative test method provisions	Yes.	
§ 63.7(g)	Performance test data analysis, recordkeeping, and reporting	Yes.	
§ 63.7(h)	Waiver of tests	Yes.	
§ 63.8(a)(1)	Applicability of monitoring requirements	Yes	Subpart ZZZZ contains specific requirements for monitoring at § 63.6625.
§ 63.8(a)(2)	Performance specifications	Yes.	
§ 63.8(a)(3)	[Reserved]		
§ 63.8(a)(4)	Monitoring for control devices	No.	
§ 63.8(b)(1)	Monitoring	Yes.	
§ 63.8(b)(2)-(3)	Multiple effluents and multiple monitoring systems	Yes.	
§ 63.8(c)(1)	Monitoring system operation and maintenance	Yes.	
§ 63.8(c)(1)(i)	Routine and predictable SSM	No	
§ 63.8(c)(1)(ii)	SSM not in Startup Shutdown Malfunction Plan	Yes.	
§ 63.8(c)(1)(iii)	Compliance with operation and maintenance requirements	No	
§ 63.8(c)(2)-(3)	Monitoring system installation	Yes.	
§ 63.8(c)(4)	Continuous monitoring system (CMS) requirements	Yes	Except that subpart ZZZZ does not require Continuous Opacity Monitoring System (COMS).
§ 63.8(c)(5)	COMS minimum procedures	No	Subpart ZZZZ does not require COMS.
§ 63.8(c)(6)-(8)	CMS requirements	Yes	Except that subpart ZZZZ does not require COMS.
§ 63.8(d)	CMS quality control	Yes.	
§ 63.8(e)	CMS performance evaluation	Yes	Except for § 63.8(e)(5)(ii), which applies to COMS.
		Except that § 63.8(e) only applies as specified in § 63.6645.	
§ 63.8(f)(1)-(5)	Alternative monitoring method	Yes	Except that § 63.8(f)(4) only applies as specified in § 63.6645.
§ 63.8(f)(6)	Alternative to relative accuracy test	Yes	Except that § 63.8(f)(6) only applies as specified in § 63.6645.
§ 63.8(g)	Data reduction	Yes	Except that provisions for COMS are not applicable. Averaging periods for demonstrating compliance are specified at §§ 63.6635 and 63.6640.
§ 63.9(a)	Applicability and State delegation of notification requirements	Yes.	
§ 63.9(b)(1)-(5)	Initial notifications	Yes	Except that § 63.9(b)(3) is reserved.

General provisions citation	Subject of citation	Applies to subpart	Explanation
		Except that § 63.9(b) only applies as specified in § 63.6645.	
§ 63.9(c)	Request for compliance extension	Yes	Except that § 63.9(c) only applies as specified in § 63.6645.
§ 63.9(d)	Notification of special compliance requirements for new sources	Yes	Except that § 63.9(d) only applies as specified in § 63.6645.
§ 63.9(e)	Notification of performance test	Yes	Except that § 63.9(e) only applies as specified in § 63.6645.
§ 63.9(f)	Notification of visible emission (VE)/opacity test	No	Subpart ZZZZ does not contain opacity or VE standards.
§ 63.9(g)(1)	Notification of performance evaluation	Yes	Except that § 63.9(g) only applies as specified in § 63.6645.
§ 63.9(g)(2)	Notification of use of COMS data	No	Subpart ZZZZ does not contain opacity or VE standards.
§ 63.9(g)(3)	Notification that criterion for alternative to RATA is exceeded	Yes	If alternative is in use.
		Except that § 63.9(g) only applies as specified in § 63.6645.	
§ 63.9(h)(1)-(6)	Notification of compliance status	Yes	Except that notifications for sources using a CEMS are due 30 days after completion of performance evaluations. § 63.9(h)(4) is reserved.
			Except that § 63.9(h) only applies as specified in § 63.6645.
§ 63.9(i)	Adjustment of submittal deadlines	Yes.	
§ 63.9(j)	Change in previous information	Yes.	
§ 63.10(a)	Administrative provisions for recordkeeping/reporting	Yes.	
§ 63.10(b)(1)	Record retention	Yes	Except that the most recent 2 years of data do not have to be retained on site.
§ 63.10(b)(2)(i)-(v)	Records related to SSM	No.	
§ 63.10(b)(2)(vi)-(xi)	Records	Yes.	
§ 63.10(b)(2)(xii)	Record when under waiver	Yes.	
§ 63.10(b)(2)(xiii)	Records when using alternative to RATA	Yes	For CO standard if using RATA alternative.
§ 63.10(b)(2)(xiv)	Records of supporting documentation	Yes.	
§ 63.10(b)(3)	Records of applicability determination	Yes.	
§ 63.10(c)	Additional records for sources using CEMS	Yes	Except that § 63.10(c)(2)-(4) and (9) are reserved.
§ 63.10(d)(1)	General reporting requirements	Yes.	
§ 63.10(d)(2)	Report of performance test results	Yes.	

General provisions citation	Subject of citation	Applies to subpart	Explanation
§ 63.10(d)(3)	Reporting opacity or VE observations	No	Subpart ZZZZ does not contain opacity or VE standards.
§ 63.10(d)(4)	Progress reports	Yes.	
§ 63.10(d)(5)	Startup, shutdown, and malfunction reports	No.	
§ 63.10(e)(1) and (2)(i)	Additional CMS Reports	Yes.	
§ 63.10(e)(2)(ii)	COMS-related report	No	Subpart ZZZZ does not require COMS.
§ 63.10(e)(3)	Excess emission and parameter exceedances reports	Yes.	Except that § 63.10(e)(3)(i) (C) is reserved.
§ 63.10(e)(4)	Reporting COMS data	No	Subpart ZZZZ does not require COMS.
§ 63.10(f)	Waiver for recordkeeping/reporting	Yes.	
§ 63.11	Flares	No.	
§ 63.12	State authority and delegations	Yes.	
§ 63.13	Addresses	Yes.	
§ 63.14	Incorporation by reference	Yes.	
§ 63.15	Availability of information	Yes.	

[75 FR 9688, Mar. 3, 2010, as amended at 78 FR 6720, Jan. 30, 2013]

**Appendix A—Protocol for Using an Electrochemical Analyzer to Determine Oxygen and Carbon Monoxide Concentrations From Certain Engines**

1.0 Scope and Application. What is this Protocol?

This protocol is a procedure for using portable electrochemical (EC) cells for measuring carbon monoxide (CO) and oxygen (O<sub>2</sub>) concentrations in controlled and uncontrolled emissions from existing stationary 4-stroke lean burn and 4-stroke rich burn reciprocating internal combustion engines as specified in the applicable rule.

1.1 Analytes. What does this protocol determine?

This protocol measures the engine exhaust gas concentrations of carbon monoxide (CO) and oxygen (O<sub>2</sub>).

Analyte	CAS No.	Sensitivity
Carbon monoxide (CO)	630-08-0	Minimum detectable limit should be 2 percent of the nominal range or 1 ppm, whichever is less restrictive.
Oxygen (O <sub>2</sub> )	7782-44-7	

1.2 Applicability. When is this protocol acceptable?

This protocol is applicable to 40 CFR part 63, subpart ZZZZ. Because of inherent cross sensitivities of EC cells, you must not apply this protocol to other emissions sources without specific instruction to that effect.

1.3 Data Quality Objectives. How good must my collected data be?

Refer to Section 13 to verify and document acceptable analyzer performance.

#### 1.4 Range. What is the targeted analytical range for this protocol?

The measurement system and EC cell design(s) conforming to this protocol will determine the analytical range for each gas component. The nominal ranges are defined by choosing up-scale calibration gas concentrations near the maximum anticipated flue gas concentrations for CO and O<sub>2</sub>, or no more than twice the permitted CO level.

#### 1.5 Sensitivity. What minimum detectable limit will this protocol yield for a particular gas component?

The minimum detectable limit depends on the nominal range and resolution of the specific EC cell used, and the signal to noise ratio of the measurement system. The minimum detectable limit should be 2 percent of the nominal range or 1 ppm, whichever is less restrictive.

### 2.0 Summary of Protocol

In this protocol, a gas sample is extracted from an engine exhaust system and then conveyed to a portable EC analyzer for measurement of CO and O<sub>2</sub> gas concentrations. This method provides measurement system performance specifications and sampling protocols to ensure reliable data. You may use additions to, or modifications of vendor supplied measurement systems (e.g., heated or unheated sample lines, thermocouples, flow meters, selective gas scrubbers, etc.) to meet the design specifications of this protocol. Do not make changes to the measurement system from the as-verified configuration (Section 3.12).

### 3.0 Definitions

**3.1 Measurement System.** The total equipment required for the measurement of CO and O<sub>2</sub> concentrations. The measurement system consists of the following major subsystems:

**3.1.1 Data Recorder.** A strip chart recorder, computer or digital recorder for logging measurement data from the analyzer output. You may record measurement data from the digital data display manually or electronically.

**3.1.2 Electrochemical (EC) Cell.** A device, similar to a fuel cell, used to sense the presence of a specific analyte and generate an electrical current output proportional to the analyte concentration.

**3.1.3 Interference Gas Scrubber.** A device used to remove or neutralize chemical compounds that may interfere with the selective operation of an EC cell.

**3.1.4 Moisture Removal System.** Any device used to reduce the concentration of moisture in the sample stream so as to protect the EC cells from the damaging effects of condensation and to minimize errors in measurements caused by the scrubbing of soluble gases.

**3.1.5 Sample Interface.** The portion of the system used for one or more of the following: sample acquisition; sample transport; sample conditioning or protection of the EC cell from any degrading effects of the engine exhaust effluent; removal of particulate matter and condensed moisture.

**3.2 Nominal Range.** The range of analyte concentrations over which each EC cell is operated (normally 25 percent to 150 percent of up-scale calibration gas value). Several nominal ranges can be used for any given cell so long as the calibration and repeatability checks for that range remain within specifications.

**3.3 Calibration Gas.** A vendor certified concentration of a specific analyte in an appropriate balance gas.

**3.4 Zero Calibration Error.** The analyte concentration output exhibited by the EC cell in response to zero-level calibration gas.

**3.5 Up-Scale Calibration Error.** The mean of the difference between the analyte concentration exhibited by the EC cell and the certified concentration of the up-scale calibration gas.

*3.6 Interference Check.* A procedure for quantifying analytical interference from components in the engine exhaust gas other than the targeted analytes.

*3.7 Repeatability Check.* A protocol for demonstrating that an EC cell operated over a given nominal analyte concentration range provides a stable and consistent response and is not significantly affected by repeated exposure to that gas.

*3.8 Sample Flow Rate.* The flow rate of the gas sample as it passes through the EC cell. In some situations, EC cells can experience drift with changes in flow rate. The flow rate must be monitored and documented during all phases of a sampling run.

*3.9 Sampling Run.* A timed three-phase event whereby an EC cell's response rises and plateaus in a sample conditioning phase, remains relatively constant during a measurement data phase, then declines during a refresh phase. The sample conditioning phase exposes the EC cell to the gas sample for a length of time sufficient to reach a constant response. The measurement data phase is the time interval during which gas sample measurements can be made that meet the acceptance criteria of this protocol. The refresh phase then purges the EC cells with CO-free air. The refresh phase replenishes requisite O<sub>2</sub> and moisture in the electrolyte reserve and provides a mechanism to degas or desorb any interference gas scrubbers or filters so as to enable a stable CO EC cell response. There are four primary types of sampling runs: pre-sampling calibrations; stack gas sampling; post-sampling calibration checks; and measurement system repeatability checks. Stack gas sampling runs can be chained together for extended evaluations, providing all other procedural specifications are met.

*3.10 Sampling Day.* A time not to exceed twelve hours from the time of the pre-sampling calibration to the post-sampling calibration check. During this time, stack gas sampling runs can be repeated without repeated recalibrations, providing all other sampling specifications have been met.

*3.11 Pre-Sampling Calibration/Post-Sampling Calibration Check.* The protocols executed at the beginning and end of each sampling day to bracket measurement readings with controlled performance checks.

*3.12 Performance-Established Configuration.* The EC cell and sampling system configuration that existed at the time that it initially met the performance requirements of this protocol.

#### 4.0 Interferences.

When present in sufficient concentrations, NO and NO<sub>2</sub> are two gas species that have been reported to interfere with CO concentration measurements. In the likelihood of this occurrence, it is the protocol user's responsibility to employ and properly maintain an appropriate CO EC cell filter or scrubber for removal of these gases, as described in Section 6.2.12.

#### 5.0 Safety. [Reserved]

#### 6.0 Equipment and Supplies.

##### *6.1 What equipment do I need for the measurement system?*

The system must maintain the gas sample at conditions that will prevent moisture condensation in the sample transport lines, both before and as the sample gas contacts the EC cells. The essential components of the measurement system are described below.

#### 6.2 Measurement System Components.

*6.2.1 Sample Probe.* A single extraction-point probe constructed of glass, stainless steel or other non-reactive material, and of length sufficient to reach any designated sampling point. The sample probe must be designed to prevent plugging due to condensation or particulate matter.

*6.2.2 Sample Line.* Non-reactive tubing to transport the effluent from the sample probe to the EC cell.

*6.2.3 Calibration Assembly (optional).* A three-way valve assembly or equivalent to introduce calibration gases at ambient pressure at the exit end of the sample probe during calibration checks. The assembly must be designed such that only stack gas or calibration gas flows in the sample line and all gases flow through any gas path filters.

*6.2.4 Particulate Filter (optional).* Filters before the inlet of the EC cell to prevent accumulation of particulate material in the measurement system and extend the useful life of the components. All filters must be fabricated of materials that are non-reactive to the gas mixtures being sampled.

*6.2.5 Sample Pump.* A leak-free pump to provide undiluted sample gas to the system at a flow rate sufficient to minimize the response time of the measurement system. If located upstream of the EC cells, the pump must be constructed of a material that is non-reactive to the gas mixtures being sampled.

*6.2.8 Sample Flow Rate Monitoring.* An adjustable rotameter or equivalent device used to adjust and maintain the sample flow rate through the analyzer as prescribed.

*6.2.9 Sample Gas Manifold (optional).* A manifold to divert a portion of the sample gas stream to the analyzer and the remainder to a by-pass discharge vent. The sample gas manifold may also include provisions for introducing calibration gases directly to the analyzer. The manifold must be constructed of a material that is non-reactive to the gas mixtures being sampled.

*6.2.10 EC cell.* A device containing one or more EC cells to determine the CO and O<sub>2</sub> concentrations in the sample gas stream. The EC cell(s) must meet the applicable performance specifications of Section 13 of this protocol.

*6.2.11 Data Recorder.* A strip chart recorder, computer or digital recorder to make a record of analyzer output data. The data recorder resolution (i.e., readability) must be no greater than 1 ppm for CO; 0.1 percent for O<sub>2</sub>; and one degree (either °C or °F) for temperature. Alternatively, you may use a digital or analog meter having the same resolution to observe and manually record the analyzer responses.

*6.2.12 Interference Gas Filter or Scrubber.* A device to remove interfering compounds upstream of the CO EC cell. Specific interference gas filters or scrubbers used in the performance-established configuration of the analyzer must continue to be used. Such a filter or scrubber must have a means to determine when the removal agent is exhausted. Periodically replace or replenish it in accordance with the manufacturer's recommendations.

## 7.0 Reagents and Standards. What calibration gases are needed?

*7.1 Calibration Gases.* CO calibration gases for the EC cell must be CO in nitrogen or CO in a mixture of nitrogen and O<sub>2</sub>. Use CO calibration gases with labeled concentration values certified by the manufacturer to be within ± 5 percent of the label value. Dry ambient air (20.9 percent O<sub>2</sub>) is acceptable for calibration of the O<sub>2</sub> cell. If needed, any lower percentage O<sub>2</sub> calibration gas must be a mixture of O<sub>2</sub> in nitrogen.

*7.1.1 Up-Scale CO Calibration Gas Concentration.* Choose one or more up-scale gas concentrations such that the average of the stack gas measurements for each stack gas sampling run are between 25 and 150 percent of those concentrations. Alternatively, choose an up-scale gas that does not exceed twice the concentration of the applicable outlet standard. If a measured gas value exceeds 150 percent of the up-scale CO calibration gas value at any time during the stack gas sampling run, the run must be discarded and repeated.

*7.1.2 Up-Scale O<sub>2</sub> Calibration Gas Concentration.*

Select an O<sub>2</sub> gas concentration such that the difference between the gas concentration and the average stack gas measurement or reading for each sample run is less than 15 percent O<sub>2</sub>. When the average exhaust gas O<sub>2</sub> readings are above 6 percent, you may use dry ambient air (20.9 percent O<sub>2</sub>) for the up-scale O<sub>2</sub> calibration gas.

*7.1.3 Zero Gas.* Use an inert gas that contains less than 0.25 percent of the up-scale CO calibration gas concentration. You may use dry air that is free from ambient CO and other combustion gas products (e.g., CO<sub>2</sub>).

## 8.0 Sample Collection and Analysis

### 8.1 Selection of Sampling Sites.

8.1.1 Control Device Inlet. Select a sampling site sufficiently downstream of the engine so that the combustion gases should be well mixed. Use a single sampling extraction point near the center of the duct (e.g., within the 10 percent centroidal area), unless instructed otherwise.

8.1.2 Exhaust Gas Outlet. Select a sampling site located at least two stack diameters downstream of any disturbance (e.g., turbocharger exhaust, crossover junction or recirculation take-off) and at least one-half stack diameter upstream of the gas discharge to the atmosphere. Use a single sampling extraction point near the center of the duct (e.g., within the 10 percent centroidal area), unless instructed otherwise.

8.2 Stack Gas Collection and Analysis. Prior to the first stack gas sampling run, conduct that the pre-sampling calibration in accordance with Section 10.1. Use Figure 1 to record all data. Zero the analyzer with zero gas. Confirm and record that the scrubber media color is correct and not exhausted. Then position the probe at the sampling point and begin the sampling run at the same flow rate used during the up-scale calibration. Record the start time. Record all EC cell output responses and the flow rate during the "sample conditioning phase" once per minute until constant readings are obtained. Then begin the "measurement data phase" and record readings every 15 seconds for at least two minutes (or eight readings), or as otherwise required to achieve two continuous minutes of data that meet the specification given in Section 13.1. Finally, perform the "refresh phase" by introducing dry air, free from CO and other combustion gases, until several minute-to-minute readings of consistent value have been obtained. For each run use the "measurement data phase" readings to calculate the average stack gas CO and O<sub>2</sub> concentrations.

8.3 EC Cell Rate. Maintain the EC cell sample flow rate so that it does not vary by more than  $\pm 10$  percent throughout the pre-sampling calibration, stack gas sampling and post-sampling calibration check. Alternatively, the EC cell sample flow rate can be maintained within a tolerance range that does not affect the gas concentration readings by more than  $\pm 3$  percent, as instructed by the EC cell manufacturer.

## 9.0 Quality Control (Reserved)

## 10.0 Calibration and Standardization

*10.1 Pre-Sampling Calibration.* Conduct the following protocol once for each nominal range to be used on each EC cell before performing a stack gas sampling run on each field sampling day. Repeat the calibration if you replace an EC cell before completing all of the sampling runs. There is no prescribed order for calibration of the EC cells; however, each cell must complete the measurement data phase during calibration. Assemble the measurement system by following the manufacturer's recommended protocols including for preparing and preconditioning the EC cell. Assure the measurement system has no leaks and verify the gas scrubbing agent is not depleted. Use Figure 1 to record all data.

*10.1.1 Zero Calibration.* For both the O<sub>2</sub> and CO cells, introduce zero gas to the measurement system (e.g., at the calibration assembly) and record the concentration reading every minute until readings are constant for at least two consecutive minutes. Include the time and sample flow rate. Repeat the steps in this section at least once to verify the zero calibration for each component gas.

*10.1.2 Zero Calibration Tolerance.* For each zero gas introduction, the zero level output must be less than or equal to  $\pm 3$  percent of the up-scale gas value or  $\pm 1$  ppm, whichever is less restrictive, for the CO channel and less than or equal to  $\pm 0.3$  percent O<sub>2</sub> for the O<sub>2</sub> channel.

*10.1.3 Up-Scale Calibration.* Individually introduce each calibration gas to the measurement system (e.g., at the calibration assembly) and record the start time. Record all EC cell output responses and the flow rate during this "sample conditioning phase" once per minute until readings are constant for at least two minutes. Then begin the "measurement data phase" and record readings every 15 seconds for a total of two minutes, or as otherwise required. Finally, perform the "refresh phase" by introducing dry air, free from CO and other combustion gases, until readings are constant for at least two consecutive minutes. Then repeat the steps in this section at least once to verify the calibration for each component gas. Introduce all gases to flow through the entire sample handling system (i.e., at the exit end of the sampling probe or the calibration assembly).

*10.1.4 Up-Scale Calibration Error.* The mean of the difference of the “measurement data phase” readings from the reported standard gas value must be less than or equal to  $\pm 5$  percent or  $\pm 1$  ppm for CO or  $\pm 0.5$  percent O<sub>2</sub>, whichever is less restrictive, respectively. The maximum allowable deviation from the mean measured value of any single “measurement data phase” reading must be less than or equal to  $\pm 2$  percent or  $\pm 1$  ppm for CO or  $\pm 0.5$  percent O<sub>2</sub>, whichever is less restrictive, respectively.

*10.2 Post-Sampling Calibration Check.* Conduct a stack gas post-sampling calibration check after the stack gas sampling run or set of runs and within 12 hours of the initial calibration. Conduct up-scale and zero calibration checks using the protocol in Section 10.1. Make no changes to the sampling system or EC cell calibration until all post-sampling calibration checks have been recorded. If either the zero or up-scale calibration error exceeds the respective specification in Sections 10.1.2 and 10.1.4 then all measurement data collected since the previous successful calibrations are invalid and re-calibration and re-sampling are required. If the sampling system is disassembled or the EC cell calibration is adjusted, repeat the calibration check before conducting the next analyzer sampling run.

## 11.0 Analytical Procedure

The analytical procedure is fully discussed in Section 8.

## 12.0 Calculations and Data Analysis

Determine the CO and O<sub>2</sub> concentrations for each stack gas sampling run by calculating the mean gas concentrations of the data recorded during the “measurement data phase”.

## 13.0 Protocol Performance

Use the following protocols to verify consistent analyzer performance during each field sampling day.

*13.1 Measurement Data Phase Performance Check.* Calculate the mean of the readings from the “measurement data phase”. The maximum allowable deviation from the mean for each of the individual readings is  $\pm 2$  percent, or  $\pm 1$  ppm, whichever is less restrictive. Record the mean value and maximum deviation for each gas monitored. Data must conform to Section 10.1.4. The EC cell flow rate must conform to the specification in Section 8.3.

*Example: A measurement data phase is invalid if the maximum deviation of any single reading comprising that mean is greater than  $\pm 2$  percent or  $\pm 1$  ppm (the default criteria). For example, if the mean = 30 ppm, single readings of below 29 ppm and above 31 ppm are disallowed).*

*13.2 Interference Check.* Before the initial use of the EC cell and interference gas scrubber in the field, and semi-annually thereafter, challenge the interference gas scrubber with NO and NO<sub>2</sub> gas standards that are generally recognized as representative of diesel-fueled engine NO and NO<sub>2</sub> emission values. Record the responses displayed by the CO EC cell and other pertinent data on Figure 1 or a similar form.

*13.2.1 Interference Response.* The combined NO and NO<sub>2</sub> interference response should be less than or equal to  $\pm 5$  percent of the up-scale CO calibration gas concentration.

*13.3 Repeatability Check.* Conduct the following check once for each nominal range that is to be used on the CO EC cell within 5 days prior to each field sampling program. If a field sampling program lasts longer than 5 days, repeat this check every 5 days. Immediately repeat the check if the EC cell is replaced or if the EC cell is exposed to gas concentrations greater than 150 percent of the highest up-scale gas concentration.

*13.3.1 Repeatability Check Procedure.* Perform a complete EC cell sampling run (all three phases) by introducing the CO calibration gas to the measurement system and record the response. Follow Section 10.1.3. Use Figure 1 to record all data. Repeat the run three times for a total of four complete runs. During the four repeatability check runs, do not adjust the system except where necessary to achieve the correct calibration gas flow rate at the analyzer.

*13.3.2 Repeatability Check Calculations.* Determine the highest and lowest average “measurement data phase” CO concentrations from the four repeatability check runs and record the results on Figure 1 or a similar form. The



"											
Mean											
Refresh Phase											
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[78 FR 6721, Jan. 30, 2013]

## Attachment D

### Electronic Code of Federal Regulations

#### Title 40: Protection of Environment

#### Part 60, Subpart Y—Standards of Performance for Coal Preparation and Processing Plants

Source: 74 FR 51977, Oct. 8, 2009, unless otherwise noted.

##### § 60.250 Applicability and designation of affected facility.

(a) The provisions of this subpart apply to affected facilities in coal preparation and processing plants that process more than 181 megagrams (Mg) (200 tons) of coal per day.

(b) The provisions in § 60.251, § 60.252(a), § 60.253(a), § 60.254(a), § 60.255(a), and § 60.256(a) of this subpart are applicable to any of the following affected facilities that commenced construction, reconstruction or modification after October 27, 1974, and on or before April 28, 2008: Thermal dryers, pneumatic coal-cleaning equipment (air tables), coal processing and conveying equipment (including breakers and crushers), and coal storage systems, transfer and loading systems.

(c) The provisions in § 60.251, § 60.252(b)(1) and (c), § 60.253(b), § 60.254(b), § 60.255(b) through (h), § 60.256(b) and (c), § 60.257, and § 60.258 of this subpart are applicable to any of the following affected facilities that commenced construction, reconstruction or modification after April 28, 2008, and on or before May 27, 2009: Thermal dryers, pneumatic coal-cleaning equipment (air tables), coal processing and conveying equipment (including breakers and crushers), and coal storage systems, transfer and loading systems.

(d) The provisions in § 60.251, § 60.252(b)(1) through (3), and (c), § 60.253(b), § 60.254(b) and (c), § 60.255(b) through (h), § 60.256(b) and (c), § 60.257, and § 60.258 of this subpart are applicable to any of the following affected facilities that commenced construction, reconstruction or modification after May 27, 2009: Thermal dryers, pneumatic coal-cleaning equipment (air tables), coal processing and conveying equipment (including breakers and crushers), coal storage systems, transfer and loading systems, and open storage piles.

##### § 60.251 Definitions.

As used in this subpart, all terms not defined herein have the meaning given them in the Clean Air Act (Act) and in subpart A of this part.

(a) *Anthracite* means coal that is classified as anthracite according to the American Society of Testing and Materials in ASTM D388 (incorporated by reference, see § 60.17).

(b) *Bag leak detection system* means a system that is capable of continuously monitoring relative particulate matter (dust loadings) in the exhaust of a fabric filter to detect bag leaks and other upset conditions. A bag leak detection system includes, but is not limited to, an instrument that operates on triboelectric, light scattering, light transmittance, or other effect to continuously monitor relative particulate matter loadings.

(c) *Bituminous coal* means solid fossil fuel classified as bituminous coal by ASTM D388 (incorporated by reference— see § 60.17).

(d) *Coal* means:

(1) For units constructed, reconstructed, or modified on or before May 27, 2009, all solid fossil fuels classified as anthracite, bituminous, subbituminous, or lignite by ASTM D388 (incorporated by reference— see § 60.17).

(2) For units constructed, reconstructed, or modified after May 27, 2009, all solid fossil fuels classified as anthracite, bituminous, subbituminous, or lignite by ASTM D388 (incorporated by reference— see § 60.17), and coal refuse.

(e) *Coal preparation and processing plant* means any facility (excluding underground mining operations) which prepares coal by one or more of the following processes: breaking, crushing, screening, wet or dry cleaning, and thermal drying.

(f) *Coal processing and conveying equipment* means any machinery used to reduce the size of coal or to separate coal from refuse, and the equipment used to convey coal to or remove coal and refuse from the machinery. This includes, but is not limited to, breakers, crushers, screens, and conveyor belts. Equipment located at the mine face is not considered to be part of the coal preparation and processing plant.

(g) *Coal refuse* means waste products of coal mining, physical coal cleaning, and coal preparation operations ( e.g. culm, gob, etc. ) containing coal, matrix material, clay, and other organic and inorganic material.

(h) *Coal storage system* means any facility used to store coal except for open storage piles.

(i) *Design controlled potential PM emissions rate* means the theoretical particulate matter (PM) emissions (Mg) that would result from the operation of a control device at its design emissions rate (grams per dry standard cubic meter (g/dscm)), multiplied by the maximum design flow rate (dry standard cubic meter per minute (dscm/min)), multiplied by 60 (minutes per hour (min/hr)), multiplied by 8,760 (hours per year (hr/yr)), divided by 1,000,000 (megagrams per gram (Mg/g)).

(j) *Indirect thermal dryer* means a thermal dryer that reduces the moisture content of coal through indirect heating of the coal through contact with a heat transfer medium. If the source of heat (the source of combustion or furnace) is subject to another subpart of this part, then the furnace and the associated emissions are not part of the affected facility. However, if the source of heat is not subject to another subpart of this part, then the furnace and the associated emissions are part of the affected facility.

(k) *Lignite* means coal that is classified as lignite A or B according to the American Society of Testing and Materials in ASTM D388 (incorporated by reference, see § 60.17).

(l) *Mechanical vent* means any vent that uses a powered mechanical drive (machine) to induce air flow.

(m) *Open storage pile* means any facility, including storage area, that is not enclosed that is used to store coal, including the equipment used in the loading, unloading, and conveying operations of the facility.

(n) *Operating day* means a 24-hour period between 12 midnight and the following midnight during which coal is prepared or processed at any time by the affected facility. It is not necessary that coal be prepared or processed the entire 24-hour period.

(o) *Pneumatic coal-cleaning equipment* means:

(1) For units constructed, reconstructed, or modified on or before May 27, 2009, any facility which classifies bituminous coal by size or separates bituminous coal from refuse by application of air stream(s).

(2) For units constructed, reconstructed, or modified after May 27, 2009, any facility which classifies coal by size or separates coal from refuse by application of air stream(s).

(p) *Potential combustion concentration* means the theoretical emissions (nanograms per joule (ng/J) or pounds per million British thermal units (lb/MMBtu) heat input) that would result from combustion of a fuel in an uncleaned state without emission control systems, as determined using Method 19 of appendix A-7 of this part.

(q) *Subbituminous coal* means coal that is classified as subbituminous A, B, or C according to the American Society of Testing and Materials in ASTM D388 (incorporated by reference, see § 60.17).

(r) *Thermal dryer* means:

(1) For units constructed, reconstructed, or modified on or before May 27, 2009, any facility in which the moisture content of bituminous coal is reduced by contact with a heated gas stream which is exhausted to the atmosphere.

(2) For units constructed, reconstructed, or modified after May 27, 2009, any facility in which the moisture content of coal is reduced by either contact with a heated gas stream which is exhausted to the atmosphere or through indirect heating of the coal through contact with a heated heat transfer medium.

(s) *Transfer and loading system* means any facility used to transfer and load coal for shipment.

**§ 60.252 Standards for thermal dryers.**

(a) On and after the date on which the performance test is conducted or required to be completed under § 60.8, whichever date comes first, an owner or operator of a thermal dryer constructed, reconstructed, or modified on or before April 28, 2008, subject to the provisions of this subpart must meet the requirements in paragraphs (a)(1) and (a)(2) of this section.

(1) The owner or operator shall not cause to be discharged into the atmosphere from the thermal dryer any gases which contain PM in excess of 0.070 g/dscm (0.031 grains per dry standard cubic feet (gr/dscf)); and

(2) The owner or operator shall not cause to be discharged into the atmosphere from the thermal dryer any gases which exhibit 20 percent opacity or greater.

(b) Except as provided in paragraph (c) of this section, on and after the date on which the performance test is conducted or required to be completed under § 60.8, whichever date comes first, an owner or operator of a thermal dryer constructed, reconstructed, or modified after April 28, 2008, subject to the provisions of this subpart must meet the applicable standards for PM and opacity, as specified in paragraph (b)(1) of this section. In addition, and except as provided in paragraph (c) of this section, on and after the date on which the performance test is conducted or required to be completed under § 60.8, whichever date comes first, an owner or operator of a thermal dryer constructed, reconstructed, or modified after May 29, 2009, subject to the provisions of this subpart must also meet the applicable standards for sulfur dioxide (SO<sub>2</sub>), and combined nitrogen oxides (NO<sub>x</sub>) and carbon monoxide (CO) as specified in paragraphs (b)(2) and (b)(3) of this section.

(1) The owner or operator must meet the requirements for PM emissions in paragraphs (b)(1)(i) through (iii) of this section, as applicable to the affected facility.

(i) For each thermal dryer constructed or reconstructed after April 28, 2008, the owner or operator must meet the requirements of (b)(1)(i)(A) and (b)(1)(i)(B).

(A) The owner or operator must not cause to be discharged into the atmosphere from the thermal dryer any gases that contain PM in excess of 0.023 g/dscm (0.010 grains per dry standard cubic feet (gr/dscf)); and

(B) The owner or operator must not cause to be discharged into the atmosphere from the thermal dryer any gases that exhibit 10 percent opacity or greater.

(ii) For each thermal dryer modified after April 28, 2008, the owner or operator must meet the requirements of paragraphs (b)(1)(ii)(A) and (b)(1)(ii)(B) of this section.

(A) The owner or operator must not cause to be discharged to the atmosphere from the affected facility any gases which contain PM in excess of 0.070 g/dscm (0.031 gr/dscf); and

(B) The owner or operator must not cause to be discharged into the atmosphere from the affected facility any gases which exhibit 20 percent opacity or greater.

(2) Except as provided in paragraph (b)(2)(iii) of this section, for each thermal dryer constructed, reconstructed, or modified after May 27, 2009, the owner or operator must meet the requirements for SO<sub>2</sub> emissions in either paragraph (b)(2)(i) or (b)(2)(ii) of this section.

(i) The owner or operator must not cause to be discharged into the atmosphere from the affected facility any gases that contain SO<sub>2</sub> in excess of 85 ng/J (0.20 lb/MMBtu) heat input; or

(ii) The owner or operator must not cause to be discharged into the atmosphere from the affected facility any gases that either contain SO<sub>2</sub> in excess of 520 ng/J (1.20 lb/MMBtu) heat input or contain SO<sub>2</sub> in excess of 10 percent of the potential combustion concentration ( *i.e.*, the facility must achieve at least a 90 percent reduction of the potential combustion concentration and may not exceed a maximum emissions rate of 1.2 lb/MMBtu (520 ng/J)).

(iii) Thermal dryers that receive all of their thermal input from a source other than coal or residual oil, that receive all of their thermal input from a source subject to an SO<sub>2</sub> limit under another subpart of this part, or that use waste heat or residual from the combustion of coal or residual oil as their only thermal input are not subject to the SO<sub>2</sub> limits of this section.

(3) Except as provided in paragraph (b)(3)(iii) of this section, the owner or operator must meet the requirements for combined NO<sub>x</sub> and CO emissions in paragraph (b)(3)(i) or (b)(3)(ii) of this section, as applicable to the affected facility.

(i) For each thermal dryer constructed after May 27, 2009, the owner or operator must not cause to be discharged into the atmosphere from the affected facility any gases which contain a combined concentration of NO<sub>x</sub> and CO in excess of 280 ng/J (0.65 lb/MMBtu) heat input.

(ii) For each thermal dryer reconstructed or modified after May 27, 2009, the owner or operator must not cause to be discharged into the atmosphere from the affected facility any gases which contain combined concentration of NO<sub>x</sub> and CO in excess of 430 ng/J (1.0 lb/MMBtu) heat input.

(iii) Thermal dryers that receive all of their thermal input from a source other than coal or residual oil, that receive all of their thermal input from a source subject to a NO<sub>x</sub> limit and/or CO limit under another subpart of this part, or that use waste heat or residual from the combustion of coal or residual oil as their only thermal input, are not subject to the combined NO<sub>x</sub> and CO limits of this section.

(c) Thermal dryers receiving all of their thermal input from an affected facility covered under another 40 CFR Part 60 subpart must meet the applicable requirements in that subpart but are not subject to the requirements in this subpart.

#### **§ 60.253 Standards for pneumatic coal-cleaning equipment.**

(a) On and after the date on which the performance test is conducted or required to be completed under § 60.8, whichever date comes first, an owner or operator of pneumatic coal-cleaning equipment constructed, reconstructed, or modified on or before April 28, 2008, must meet the requirements of paragraphs (a)(1) and (a)(2) of this section.

(1) The owner or operator must not cause to be discharged into the atmosphere from the pneumatic coal-cleaning equipment any gases that contain PM in excess of 0.040 g/dscm (0.017 gr/dscf); and

(2) The owner or operator must not cause to be discharged into the atmosphere from the pneumatic coal-cleaning equipment any gases that exhibit 10 percent opacity or greater.

(b) On and after the date on which the performance test is conducted or required to be completed under § 60.8, whichever date comes first, an owner or operator of pneumatic coal-cleaning equipment constructed, reconstructed, or modified after April 28, 2008, must meet the requirements in paragraphs (b)(1) and (b)(2) of this section.

(1) The owner or operator must not cause to be discharged into the atmosphere from the pneumatic coal-cleaning equipment any gases that contain PM in excess or 0.023 g/dscm (0.010 gr/dscf); and

(2) The owner or operator must not cause to be discharged into the atmosphere from the pneumatic coal-cleaning equipment any gases that exhibit greater than 5 percent opacity.

**§ 60.254 Standards for coal processing and conveying equipment, coal storage systems, transfer and loading systems, and open storage piles.**

(a) On and after the date on which the performance test is conducted or required to be completed under § 60.8, whichever date comes first, an owner or operator shall not cause to be discharged into the atmosphere from any coal processing and conveying equipment, coal storage system, or coal transfer and loading system processing coal constructed, reconstructed, or modified on or before April 28, 2008, gases which exhibit 20 percent opacity or greater.

(b) On and after the date on which the performance test is conducted or required to be completed under § 60.8, whichever date comes first, an owner or operator of any coal processing and conveying equipment, coal storage system, or coal transfer and loading system processing coal constructed, reconstructed, or modified after April 28, 2008, must meet the requirements in paragraphs (b)(1) through (3) of this section, as applicable to the affected facility.

(1) Except as provided in paragraph (b)(3) of this section, the owner or operator must not cause to be discharged into the atmosphere from the affected facility any gases which exhibit 10 percent opacity or greater.

(2) The owner or operator must not cause to be discharged into the atmosphere from any mechanical vent on an affected facility gases which contain particulate matter in excess of 0.023 g/dscm (0.010 gr/dscf).

(3) Equipment used in the loading, unloading, and conveying operations of open storage piles are not subject to the opacity limitations of paragraph (b)(1) of this section.

(c) The owner or operator of an open storage pile, which includes the equipment used in the loading, unloading, and conveying operations of the affected facility, constructed, reconstructed, or modified after May 27, 2009, must prepare and operate in accordance with a submitted fugitive coal dust emissions control plan that is appropriate for the site conditions as specified in paragraphs (c)(1) through (6) of this section.

(1) The fugitive coal dust emissions control plan must identify and describe the control measures the owner or operator will use to minimize fugitive coal dust emissions from each open storage pile.

(2) For open coal storage piles, the fugitive coal dust emissions control plan must require that one or more of the following control measures be used to minimize to the greatest extent practicable fugitive coal dust: Locating the source inside a partial enclosure, installing and operating a water spray or fogging system, applying appropriate chemical dust suppression agents on the source (when the provisions of paragraph (c)(6) of this section are met), use of a wind barrier, compaction, or use of a vegetative cover. The owner or operator must select, for inclusion in the fugitive coal dust emissions control plan, the control measure or measures listed in this paragraph that are most appropriate for site conditions. The plan must also explain how the measure or measures selected are applicable and appropriate for site conditions. In addition, the plan must be revised as needed to reflect any changing conditions at the source.

(3) Any owner or operator of an affected facility that is required to have a fugitive coal dust emissions control plan may petition the Administrator to approve, for inclusion in the plan for the affected facility, alternative control measures other than those specified in paragraph (c)(2) of this section as specified in paragraphs (c)(3)(i) through (iv) of this section.

(i) The petition must include a description of the alternative control measures, a copy of the fugitive coal dust emissions control plan for the affected facility that includes the alternative control measures, and information sufficient for EPA to evaluate the demonstrations required by paragraph (c)(3)(ii) of this section.

(ii) The owner or operator must either demonstrate that the fugitive coal dust emissions control plan that includes the alternate control measures will provide equivalent overall environmental protection or demonstrate that it is either economically or technically infeasible for the affected facility to use the control measures specifically identified in paragraph (c)(2).

(iii) While the petition is pending, the owner or operator must comply with the fugitive coal dust emissions control plan including the alternative control measures submitted with the petition. Operation in accordance with the plan submitted with the petition shall be deemed to constitute compliance with the requirement to operate in accordance

with a fugitive coal dust emissions control plan that contains one of the control measures specifically identified in paragraph (c)(2) of this section while the petition is pending.

(iv) If the petition is approved by the Administrator, the alternative control measures will be approved for inclusion in the fugitive coal dust emissions control plan for the affected facility. In lieu of amending this subpart, a letter will be sent to the facility describing the specific control measures approved. The facility shall make any such letters and the applicable fugitive coal dust emissions control plan available to the public. If the Administrator determines it is appropriate, the conditions and requirements of the letter can be reviewed and changed at any point.

(4) The owner or operator must submit the fugitive coal dust emissions control plan to the Administrator or delegated authority as specified in paragraphs (c)(4)(i) and (c)(4)(ii) of this section.

(i) The plan must be submitted to the Administrator or delegated authority prior to startup of the new, reconstructed, or modified affected facility, or 30 days after the effective date of this rule, whichever is later.

(ii) The plan must be revised as needed to reflect any changing conditions at the source. Such revisions must be dated and submitted to the Administrator or delegated authority before a source can operate pursuant to these revisions. The Administrator or delegated authority may also object to such revisions as specified in paragraph (c)(5) of this section.

(5) The Administrator or delegated authority may object to the fugitive coal dust emissions control plan as specified in paragraphs (c)(5)(i) and (c)(5)(ii) of this section.

(i) The Administrator or delegated authority may object to any fugitive coal dust emissions control plan that it has determined does not meet the requirements of paragraphs (c)(1) and (c)(2) of this section.

(ii) If an objection is raised, the owner or operator, within 30 days from receipt of the objection, must submit a revised fugitive coal dust emissions control plan to the Administrator or delegated authority. The owner or operator must operate in accordance with the revised fugitive coal dust emissions control plan. The Administrator or delegated authority retain the right, under paragraph (c)(5) of this section, to object to the revised control plan if it determines the plan does not meet the requirements of paragraphs (c)(1) and (c)(2) of this section.

(6) Where appropriate chemical dust suppression agents are selected by the owner or operator as a control measure to minimize fugitive coal dust emissions, (1) only chemical dust suppressants with Occupational Safety and Health Administration (OSHA)-compliant material safety data sheets (MSDS) are to be allowed; (2) the MSDS must be included in the fugitive coal dust emissions control plan; and (3) the owner or operator must consider and document in the fugitive coal dust emissions control plan the site-specific impacts associated with the use of such chemical dust suppressants.

#### **§ 60.255 Performance tests and other compliance requirements.**

(a) An owner or operator of each affected facility that commenced construction, reconstruction, or modification on or before April 28, 2008, must conduct all performance tests required by § 60.8 to demonstrate compliance with the applicable emission standards using the methods identified in § 60.257.

(b) An owner or operator of each affected facility that commenced construction, reconstruction, or modification after April 28, 2008, must conduct performance tests according to the requirements of § 60.8 and the methods identified in § 60.257 to demonstrate compliance with the applicable emissions standards in this subpart as specified in paragraphs (b)(1) and (2) of this section.

(1) For each affected facility subject to a PM, SO<sub>2</sub>, or combined NO<sub>x</sub> and CO emissions standard, an initial performance test must be performed. Thereafter, a new performance test must be conducted according to the requirements in paragraphs (b)(1)(i) through (iii) of this section, as applicable.

(i) If the results of the most recent performance test demonstrate that emissions from the affected facility are greater than 50 percent of the applicable emissions standard, a new performance test must be conducted within 12 calendar months of the date that the previous performance test was required to be completed.

(ii) If the results of the most recent performance test demonstrate that emissions from the affected facility are 50 percent or less of the applicable emissions standard, a new performance test must be conducted within 24 calendar months of the date that the previous performance test was required to be completed.

(iii) An owner or operator of an affected facility that has not operated for the 60 calendar days prior to the due date of a performance test is not required to perform the subsequent performance test until 30 calendar days after the next operating day.

(2) For each affected facility subject to an opacity standard, an initial performance test must be performed. Thereafter, a new performance test must be conducted according to the requirements in paragraphs (b)(2)(i) through (iii) of this section, as applicable, except as provided for in paragraphs (e) and (f) of this section. Performance test and other compliance requirements for coal truck dump operations are specified in paragraph (h) of this section.

(i) If any 6-minute average opacity reading in the most recent performance test exceeds half the applicable opacity limit, a new performance test must be conducted within 90 operating days of the date that the previous performance test was required to be completed.

(ii) If all 6-minute average opacity readings in the most recent performance test are equal to or less than half the applicable opacity limit, a new performance test must be conducted within 12 calendar months of the date that the previous performance test was required to be completed.

(iii) An owner or operator of an affected facility continuously monitoring scrubber parameters as specified in § 60.256(b)(2) is exempt from the requirements in paragraphs (b)(2)(i) and (ii) if opacity performance tests are conducted concurrently with (or within a 60-minute period of) PM performance tests.

(c) If any affected coal processing and conveying equipment ( e.g., breakers, crushers, screens, conveying systems), coal storage systems, or coal transfer and loading systems that commenced construction, reconstruction, or modification after April 28, 2008, are enclosed in a building, and emissions from the building do not exceed any of the standards in § 60.254 that apply to the affected facility, then the facility shall be deemed to be in compliance with such standards.

(d) An owner or operator of an affected facility (other than a thermal dryer) that commenced construction, reconstruction, or modification after April 28, 2008, is subject to a PM emission standard and uses a control device with a design controlled potential PM emissions rate of 1.0 Mg (1.1 tons) per year or less is exempted from the requirements of paragraphs (b)(1)(i) and (ii) of this section provided that the owner or operator meets all of the conditions specified in paragraphs (d)(1) through (3) of this section. This exemption does not apply to thermal dryers.

(1) PM emissions, as determined by the most recent performance test, are less than or equal to the applicable limit,

(2) The control device manufacturer's recommended maintenance procedures are followed, and

(3) All 6-minute average opacity readings from the most recent performance test are equal to or less than half the applicable opacity limit or the monitoring requirements in paragraphs (e) or (f) of this section are followed.

(e) For an owner or operator of a group of up to five of the same type of affected facilities that commenced construction, reconstruction, or modification after April 28, 2008, that are subject to PM emissions standards and use identical control devices, the Administrator or delegated authority may allow the owner or operator to use a single PM performance test for one of the affected control devices to demonstrate that the group of affected facilities is in compliance with the applicable emissions standards provided that the owner or operator meets all of the conditions specified in paragraphs (e)(1) through (3) of this section.

(1) PM emissions from the most recent performance test for each individual affected facility are 90 percent or less of the applicable PM standard;

(2) The manufacturer's recommended maintenance procedures are followed for each control device; and

(3) A performance test is conducted on each affected facility at least once every 5 calendar years.

(f) As an alternative to meeting the requirements in paragraph (b)(2) of this section, an owner or operator of an affected facility that commenced construction, reconstruction, or modification after April 28, 2008, may elect to comply with the requirements in paragraph (f)(1) or (f)(2) of this section.

(1) Monitor visible emissions from each affected facility according to the requirements in paragraphs (f)(1)(i) through (iii) of this section.

(i) Conduct one daily 15-second observation each operating day for each affected facility (during normal operation) when the coal preparation and processing plant is in operation. Each observation must be recorded as either visible emissions observed or no visible emissions observed. Each observer determining the presence of visible emissions must meet the training requirements specified in § 2.3 of Method 22 of appendix A-7 of this part. If visible emissions are observed during any 15-second observation, the owner or operator must adjust the operation of the affected facility and demonstrate within 24 hours that no visible emissions are observed from the affected facility. If visible emissions are observed, a Method 9, of appendix A-4 of this part, performance test must be conducted within 45 operating days.

(ii) Conduct monthly visual observations of all process and control equipment. If any deficiencies are observed, the necessary maintenance must be performed as expeditiously as possible.

(iii) Conduct a performance test using Method 9 of appendix A-4 of this part at least once every 5 calendar years for each affected facility.

(2) Prepare a written site-specific monitoring plan for a digital opacity compliance system for approval by the Administrator or delegated authority. The plan shall require observations of at least one digital image every 15 seconds for 10-minute periods (during normal operation) every operating day. An approvable monitoring plan must include a demonstration that the occurrences of visible emissions are not in excess of 5 percent of the observation period. For reference purposes in preparing the monitoring plan, see OAQPS "Determination of Visible Emission Opacity from Stationary Sources Using Computer-Based Photographic Analysis Systems." This document is available from the U.S. Environmental Protection Agency (U.S. EPA); Office of Air Quality and Planning Standards; Sector Policies and Programs Division; Measurement Group (D243-02), Research Triangle Park, NC 27711. This document is also available on the Technology Transfer Network (TTN) under Emission Measurement Center Preliminary Methods. The monitoring plan approved by the Administrator or delegated authority shall be implemented by the owner or operator.

(g) As an alternative to meeting the requirements in paragraph (b)(2) of this section, an owner or operator of an affected facility that commenced construction, reconstruction, or modification after April 28, 2008, subject to a visible emissions standard under this subpart may install, operate, and maintain a continuous opacity monitoring system (COMS). Each COMS used to comply with provisions of this subpart must be installed, calibrated, maintained, and continuously operated according to the requirements in paragraphs (g)(1) and (2) of this section.

(1) The COMS must meet Performance Specification 1 in 40 CFR part 60, appendix B.

(2) The COMS must comply with the quality assurance requirements in paragraphs (g)(2)(i) through (v) of this section.

(i) The owner or operator must automatically (intrinsic to the opacity monitor) check the zero and upscale (span) calibration drifts at least once daily. For particular COMS, the acceptable range of zero and upscale calibration materials is as defined in the applicable version of Performance Specification 1 in 40 CFR part 60, appendix B.

(ii) The owner or operator must adjust the zero and span whenever the 24-hour zero drift or 24-hour span drift exceeds 4 percent opacity. The COMS must allow for the amount of excess zero and span drift measured at the 24-hour interval checks to be recorded and quantified. The optical surfaces exposed to the effluent gases must be cleaned prior to performing the zero and span drift adjustments, except for systems using automatic zero adjustments. For systems using automatic zero adjustments, the optical surfaces must be cleaned when the cumulative automatic zero compensation exceeds 4 percent opacity.

(iii) The owner or operator must apply a method for producing a simulated zero opacity condition and an upscale (span) opacity condition using a certified neutral density filter or other related technique to produce a known

obscuration of the light beam. All procedures applied must provide a system check of the analyzer internal optical surfaces and all electronic circuitry including the lamp and photodetector assembly.

(iv) Except during periods of system breakdowns, repairs, calibration checks, and zero and span adjustments, the COMS must be in continuous operation and must complete a minimum of one cycle of sampling and analyzing for each successive 10-second period and one cycle of data recording for each successive 6-minute period.

(v) The owner or operator must reduce all data from the COMS to 6-minute averages. Six-minute opacity averages must be calculated from 36 or more data points equally spaced over each 6-minute period. Data recorded during periods of system breakdowns, repairs, calibration checks, and zero and span adjustments must not be included in the data averages. An arithmetic or integrated average of all data may be used.

(h) The owner or operator of each affected coal truck dump operation that commenced construction, reconstruction, or modification after April 28, 2008, must meet the requirements specified in paragraphs (h)(1) through (3) of this section.

(1) Conduct an initial performance test using Method 9 of appendix A-4 of this part according to the requirements in paragraphs (h)(1)(i) and(ii).

(i) Opacity readings shall be taken during the duration of three separate truck dump events. Each truck dump event commences when the truck bed begins to elevate and concludes when the truck bed returns to a horizontal position.

(ii) Compliance with the applicable opacity limit is determined by averaging all 15-second opacity readings made during the duration of three separate truck dump events.

(2) Conduct monthly visual observations of all process and control equipment. If any deficiencies are observed, the necessary maintenance must be performed as expeditiously as possible.

(3) Conduct a performance test using Method 9 of appendix A-4 of this part at least once every 5 calendar years for each affected facility.

#### **§ 60.256 Continuous monitoring requirements.**

(a) The owner or operator of each affected facility constructed, reconstructed, or modified on or before April 28, 2008, must meet the monitoring requirements specified in paragraphs (a)(1) and (2) of this section, as applicable to the affected facility.

(1) The owner or operator of any thermal dryer shall install, calibrate, maintain, and continuously operate monitoring devices as follows:

(i) A monitoring device for the measurement of the temperature of the gas stream at the exit of the thermal dryer on a continuous basis. The monitoring device is to be certified by the manufacturer to be accurate within  $\pm 1.7$  °C ( $\pm 3$  °F).

(ii) For affected facilities that use wet scrubber emission control equipment:

(A) A monitoring device for the continuous measurement of the pressure loss through the venturi constriction of the control equipment. The monitoring device is to be certified by the manufacturer to be accurate within  $\pm 1$  inch water gauge.

(B) A monitoring device for the continuous measurement of the water supply pressure to the control equipment. The monitoring device is to be certified by the manufacturer to be accurate within  $\pm 5$  percent of design water supply pressure. The pressure sensor or tap must be located close to the water discharge point. The Administrator shall have discretion to grant requests for approval of alternative monitoring locations.

(2) All monitoring devices under paragraph (a) of this section are to be recalibrated annually in accordance with procedures under § 60.13(b).

(b) The owner or operator of each affected facility constructed, reconstructed, or modified after April 28, 2008, that has one or more mechanical vents must install, calibrate, maintain, and continuously operate the monitoring devices specified in paragraphs (b)(1) through (3) of this section, as applicable to the mechanical vent and any control device installed on the vent.

(1) For mechanical vents with fabric filters (baghouses) with design controlled potential PM emissions rates of 25 Mg (28 tons) per year or more, a bag leak detection system according to the requirements in paragraph (c) of this section.

(2) For mechanical vents with wet scrubbers, monitoring devices according to the requirements in paragraphs (b)(2)(i) through (iv) of this section.

(i) A monitoring device for the continuous measurement of the pressure loss through the venturi constriction of the control equipment. The monitoring device is to be certified by the manufacturer to be accurate within  $\pm 1$  inch water gauge.

(ii) A monitoring device for the continuous measurement of the water supply flow rate to the control equipment. The monitoring device is to be certified by the manufacturer to be accurate within  $\pm 5$  percent of design water supply flow rate.

(iii) A monitoring device for the continuous measurement of the pH of the wet scrubber liquid. The monitoring device is to be certified by the manufacturer to be accurate within  $\pm 5$  percent of design pH.

(iv) An average value for each monitoring parameter must be determined during each performance test. Each monitoring parameter must then be maintained within 10 percent of the value established during the most recent performance test on an operating day average basis.

(3) For mechanical vents with control equipment other than wet scrubbers, a monitoring device for the continuous measurement of the reagent injection flow rate to the control equipment, as applicable. The monitoring device is to be certified by the manufacturer to be accurate within  $\pm 5$  percent of design injection flow rate. An average reagent injection flow rate value must be determined during each performance test. The reagent injection flow rate must then be maintained within 10 percent of the value established during the most recent performance test on an operating day average basis.

(c) Each bag leak detection system used to comply with provisions of this subpart must be installed, calibrated, maintained, and continuously operated according to the requirements in paragraphs (c)(1) through (3) of this section.

(1) The bag leak detection system must meet the specifications and requirements in paragraphs (c)(1)(i) through (viii) of this section.

(i) The bag leak detection system must be certified by the manufacturer to be capable of detecting PM emissions at concentrations of 1 milligram per dry standard cubic meter (mg/dscm) (0.00044 grains per actual cubic foot (gr/acf)) or less.

(ii) The bag leak detection system sensor must provide output of relative PM loadings. The owner or operator shall continuously record the output from the bag leak detection system using electronic or other means ( e.g., using a strip chart recorder or a data logger).

(iii) The bag leak detection system must be equipped with an alarm system that will sound when the system detects an increase in relative particulate loading over the alarm set point established according to paragraph (c)(1)(iv) of this section, and the alarm must be located such that it can be heard by the appropriate plant personnel.

(iv) In the initial adjustment of the bag leak detection system, the owner or operator must establish, at a minimum, the baseline output by adjusting the sensitivity (range) and the averaging period of the device, the alarm set points, and the alarm delay time.

(v) Following initial adjustment, the owner or operator must not adjust the averaging period, alarm set point, or alarm delay time without approval from the Administrator or delegated authority except as provided in paragraph (c)(2)(vi) of this section.

(vi) Once per quarter, the owner or operator may adjust the sensitivity of the bag leak detection system to account for seasonal effects, including temperature and humidity, according to the procedures identified in the site-specific monitoring plan required by paragraph (c)(2) of this section.

(vii) The owner or operator must install the bag leak detection sensor downstream of the fabric filter.

(viii) Where multiple detectors are required, the system's instrumentation and alarm may be shared among detectors.

(2) The owner or operator must develop and submit to the Administrator or delegated authority for approval a site-specific monitoring plan for each bag leak detection system. This plan must be submitted to the Administrator or delegated authority 30 days prior to startup of the affected facility. The owner or operator must operate and maintain the bag leak detection system according to the site-specific monitoring plan at all times. Each monitoring plan must describe the items in paragraphs (c)(2)(i) through (vi) of this section.

(i) Installation of the bag leak detection system;

(ii) Initial and periodic adjustment of the bag leak detection system, including how the alarm set-point will be established;

(iii) Operation of the bag leak detection system, including quality assurance procedures;

(iv) How the bag leak detection system will be maintained, including a routine maintenance schedule and spare parts inventory list;

(v) How the bag leak detection system output will be recorded and stored; and

(vi) Corrective action procedures as specified in paragraph (c)(3) of this section. In approving the site-specific monitoring plan, the Administrator or delegated authority may allow the owner and operator more than 3 hours to alleviate a specific condition that causes an alarm if the owner or operator identifies in the monitoring plan this specific condition as one that could lead to an alarm, adequately explains why it is not feasible to alleviate this condition within 3 hours of the time the alarm occurs, and demonstrates that the requested time will ensure alleviation of this condition as expeditiously as practicable.

(3) For each bag leak detection system, the owner or operator must initiate procedures to determine the cause of every alarm within 1 hour of the alarm. Except as provided in paragraph (c)(2)(vi) of this section, the owner or operator must alleviate the cause of the alarm within 3 hours of the alarm by taking whatever corrective action(s) are necessary. Corrective actions may include, but are not limited to the following:

(i) Inspecting the fabric filter for air leaks, torn or broken bags or filter media, or any other condition that may cause an increase in PM emissions;

(ii) Sealing off defective bags or filter media;

(iii) Replacing defective bags or filter media or otherwise repairing the control device;

(iv) Sealing off a defective fabric filter compartment;

(v) Cleaning the bag leak detection system probe or otherwise repairing the bag leak detection system; or

(vi) Shutting down the process producing the PM emissions.

**§ 60.257 Test methods and procedures.**

(a) The owner or operator must determine compliance with the applicable opacity standards as specified in paragraphs (a)(1) through (3) of this section.

(1) Method 9 of appendix A-4 of this part and the procedures in § 60.11 must be used to determine opacity, with the exceptions specified in paragraphs (a)(1)(i) and (ii).

(i) The duration of the Method 9 of appendix A-4 of this part performance test shall be 1 hour (ten 6-minute averages).

(ii) If, during the initial 30 minutes of the observation of a Method 9 of appendix A-4 of this part performance test, all of the 6-minute average opacity readings are less than or equal to half the applicable opacity limit, then the observation period may be reduced from 1 hour to 30 minutes.

(2) To determine opacity for fugitive coal dust emissions sources, the additional requirements specified in paragraphs (a)(2)(i) through (iii) must be used.

(i) The minimum distance between the observer and the emission source shall be 5.0 meters (16 feet), and the sun shall be oriented in the 140-degree sector of the back.

(ii) The observer shall select a position that minimizes interference from other fugitive coal dust emissions sources and make observations such that the line of vision is approximately perpendicular to the plume and wind direction.

(iii) The observer shall make opacity observations at the point of greatest opacity in that portion of the plume where condensed water vapor is not present. Water vapor is not considered a visible emission.

(3) A visible emissions observer may conduct visible emission observations for up to three fugitive, stack, or vent emission points within a 15-second interval if the following conditions specified in paragraphs (a)(3)(i) through (iii) of this section are met.

(i) No more than three emissions points may be read concurrently.

(ii) All three emissions points must be within a 70 degree viewing sector or angle in front of the observer such that the proper sun position can be maintained for all three points.

(iii) If an opacity reading for any one of the three emissions points is within 5 percent opacity from the applicable standard (excluding readings of zero opacity), then the observer must stop taking readings for the other two points and continue reading just that single point.

(b) The owner or operator must conduct all performance tests required by § 60.8 to demonstrate compliance with the applicable emissions standards specified in § 60.252 according to the requirements in § 60.8 using the applicable test methods and procedures in paragraphs (b)(1) through (8) of this section.

(1) Method 1 or 1A of appendix A-4 of this part shall be used to select sampling port locations and the number of traverse points in each stack or duct. Sampling sites must be located at the outlet of the control device (or at the outlet of the emissions source if no control device is present) prior to any releases to the atmosphere.

(2) Method 2, 2A, 2C, 2D, 2F, or 2G of appendix A-4 of this part shall be used to determine the volumetric flow rate of the stack gas.

(3) Method 3, 3A, or 3B of appendix A-4 of this part shall be used to determine the dry molecular weight of the stack gas. The owner or operator may use ANSI/ASME PTC 19.10-1981, "Flue and Exhaust Gas Analyses (incorporated by reference— see § 60.17) as an alternative to Method 3B of appendix A-2 of this part.

(4) Method 4 of appendix A-4 of this part shall be used to determine the moisture content of the stack gas.

(5) Method 5, 5B or 5D of appendix A-4 of this part or Method 17 of appendix A-7 of this part shall be used to determine the PM concentration as follows:

(i) The sampling time and sample volume for each run shall be at least 60 minutes and 0.85 dscm (30 dscf). Sampling shall begin no less than 30 minutes after startup and shall terminate before shutdown procedures begin. A minimum of three valid test runs are needed to comprise a PM performance test.

(ii) Method 5 of appendix A of this part shall be used only to test emissions from affected facilities without wet flue gas desulfurization (FGD) systems.

(iii) Method 5B of appendix A of this part is to be used only after wet FGD systems.

(iv) Method 5D of appendix A-4 of this part shall be used for positive pressure fabric filters and other similar applications ( e.g., stub stacks and roof vents).

(v) Method 17 of appendix A-6 of this part may be used at facilities with or without wet scrubber systems provided the stack gas temperature does not exceed a temperature of 160 ° C (320 ° F). The procedures of sections 8.1 and 11.1 of Method 5B of appendix A-3 of this part may be used in Method 17 of appendix A-6 of this part only if it is used after a wet FGD system. Do not use Method 17 of appendix A-6 of this part after wet FGD systems if the effluent is saturated or laden with water droplets.

(6) Method 6, 6A, or 6C of appendix A-4 of this part shall be used to determine the SO<sub>2</sub> concentration. A minimum of three valid test runs are needed to comprise an SO<sub>2</sub> performance test.

(7) Method 7 or 7E of appendix A-4 of this part shall be used to determine the NO<sub>x</sub> concentration. A minimum of three valid test runs are needed to comprise an NO<sub>x</sub> performance test.

(8) Method 10 of appendix A-4 of this part shall be used to determine the CO concentration. A minimum of three valid test runs are needed to comprise a CO performance test. CO performance tests are conducted concurrently (or within a 60-minute period) with NO<sub>x</sub> performance tests.

#### **§ 60.258 Reporting and recordkeeping.**

(a) The owner or operator of a coal preparation and processing plant that commenced construction, reconstruction, or modification after April 28, 2008, shall maintain in a logbook (written or electronic) on-site and make it available upon request. The logbook shall record the following:

(1) The manufacturer's recommended maintenance procedures and the date and time of any maintenance and inspection activities and the results of those activities. Any variance from manufacturer recommendation, if any, shall be noted.

(2) The date and time of periodic coal preparation and processing plant visual observations, noting those sources with visible emissions along with corrective actions taken to reduce visible emissions. Results from the actions shall be noted.

(3) The amount and type of coal processed each calendar month.

(4) The amount of chemical stabilizer or water purchased for use in the coal preparation and processing plant.

(5) Monthly certification that the dust suppressant systems were operational when any coal was processed and that manufacturer's recommendations were followed for all control systems. Any variance from the manufacturer's recommendations, if any, shall be noted.

(6) Monthly certification that the fugitive coal dust emissions control plan was implemented as described. Any variance from the plan, if any, shall be noted. A copy of the applicable fugitive coal dust emissions control plan and any letters from the Administrator providing approval of any alternative control measures shall be maintained with the

logbook. Any actions, e.g. objections, to the plan and any actions relative to the alternative control measures, e.g. approvals, shall be noted in the logbook as well.

(7) For each bag leak detection system, the owner or operator must keep the records specified in paragraphs (a)(7)(i) through (iii) of this section.

(i) Records of the bag leak detection system output;

(ii) Records of bag leak detection system adjustments, including the date and time of the adjustment, the initial bag leak detection system settings, and the final bag leak detection settings; and

(iii) The date and time of all bag leak detection system alarms, the time that procedures to determine the cause of the alarm were initiated, the cause of the alarm, an explanation of the actions taken, the date and time the cause of the alarm was alleviated, and whether the cause of the alarm was alleviated within 3 hours of the alarm.

(8) A copy of any applicable monitoring plan for a digital opacity compliance system and monthly certification that the plan was implemented as described. Any variance from plan, if any, shall be noted.

(9) During a performance test of a wet scrubber, and each operating day thereafter, the owner or operator shall record the measurements of the scrubber pressure loss, water supply flow rate, and pH of the wet scrubber liquid.

(10) During a performance test of control equipment other than a wet scrubber, and each operating day thereafter, the owner or operator shall record the measurements of the reagent injection flow rate, as applicable.

(b) For the purpose of reports required under section 60.7(c), any owner operator subject to the provisions of this subpart also shall report semiannually periods of excess emissions as follow:

(1) The owner or operator of an affected facility with a wet scrubber shall submit semiannual reports to the Administrator or delegated authority of occurrences when the measurements of the scrubber pressure loss, water supply flow rate, or pH of the wet scrubber liquid vary by more than 10 percent from the average determined during the most recent performance test.

(2) The owner or operator of an affected facility with control equipment other than a wet scrubber shall submit semiannual reports to the Administrator or delegated authority of occurrences when the measurements of the reagent injection flow rate, as applicable, vary by more than 10 percent from the average determined during the most recent performance test.

(3) All 6-minute average opacities that exceed the applicable standard.

(c) The owner or operator of an affected facility shall submit the results of initial performance tests to the Administrator or delegated authority, consistent with the provisions of section 60.8. The owner or operator who elects to comply with the reduced performance testing provisions of sections 60.255(c) or (d) shall include in the performance test report identification of each affected facility that will be subject to the reduced testing. The owner or operator electing to comply with section 60.255(d) shall also include information which demonstrates that the control devices are identical.

(d) After July 1, 2011, within 60 days after the date of completing each performance evaluation conducted to demonstrate compliance with this subpart, the owner or operator of the affected facility must submit the test data to EPA by successfully entering the data electronically into EPA's WebFIRE data base available at <http://cfpub.epa.gov/oarweb/index.cfm?action=fire.main>. For performance tests that cannot be entered into WebFIRE ( i.e., Method 9 of appendix A-4 of this part opacity performance tests) the owner or operator of the affected facility must mail a summary copy to United States Environmental Protection Agency; Energy Strategies Group; 109 TW Alexander DR; mail code: D243-01; RTP, NC 27711.

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

**Technical Support Document (TSD) for a Part 70 Minor Source  
Modification**

**Source Description and Location**

Source Name:	NIPSCO - Bailly Generating Station
Source Location:	246 Bailly Station Road, Chesterton, IN 46304
County:	Porter
SIC Code:	4911
Operation Permit No.:	T127-29738-00002
Operation Permit Issuance Date:	September 6, 2012
Minor Source Modification No.:	127-34111-00002
Administrative Amendment No.:	127-34156-00002
Permit Reviewer:	Deena Patton

**Existing Approvals**

The source was issued Part 70 Operating Permit No. T127-29738-00002 on September 6, 2012. There have been no subsequent approvals issued.

**County Attainment Status**

The source is located in Porter County.

Pollutant	Designation
SO <sub>2</sub>	Cannot be classified for the area bounded on the north by Lake Michigan; on the west by the Lake County and Porter County Line; on the south by I-80 and I-90; and on the east by the LaPorte County and Porter County line. The remainder of Porter County is better than national standards.
CO	Unclassifiable or attainment effective November 15, 1990.
O <sub>3</sub>	40 CFR 81.315 as amended by 77 FR 34228. <sup>1,2</sup>
PM <sub>2.5</sub>	Attainment effective February 6, 2012, for the annual PM <sub>2.5</sub> standard.
PM <sub>2.5</sub>	Unclassifiable or attainment effective December 13, 2009, for the 24-hour PM <sub>2.5</sub> standard.
PM <sub>10</sub>	Unclassifiable effective November 15, 1990.
NO <sub>2</sub>	Cannot be classified or better than national standards.
Pb	Unclassifiable or attainment effective December 31, 2011.
<sup>1</sup> Nonattainment Severe 17 effective November 15, 1990, for the Chicago-Gary-Lake County area for the 1-hour ozone standard which was revoked effective June 15, 2005. <sup>2</sup> The department has filed a legal challenge to U.S.EPA's designation in 77 FR 34228.	

- (a) Ozone Standards  
 U.S. EPA, in the Federal Register Notice 77 FR 112 dated June 11, 2012, has designated Porter County as nonattainment for ozone. On August 1, 2012, the air pollution control board issued an emergency rule adopting the U.S. EPA's designation. This rule became effective August 9, 2012. IDEM does not agree with U.S. EPA's designation of nonattainment. IDEM filed a suit against U.S. EPA in the U.S. Court of Appeals for the DC Circuit on July 19, 2012. However, in order to ensure that sources are not potentially liable for a violation of the Clean Air Act, the OAQ is following the U.S. EPA's designation. Volatile organic compounds (VOC) and Nitrogen Oxides (NO<sub>x</sub>) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC and NO<sub>x</sub> emissions

are considered when evaluating the rule applicability relating to ozone. Therefore, VOC and NO<sub>x</sub> emissions were evaluated pursuant to the requirements of Emission Offset, 326 IAC 2-3.

- (b) **PM<sub>2.5</sub>**  
 Porter County has been classified as attainment for PM<sub>2.5</sub>. On May 8, 2008, U.S. EPA promulgated the requirements for Prevention of Significant Deterioration (PSD) for PM<sub>2.5</sub> emissions. These rules became effective on July 15, 2008. On May 4, 2011, the air pollution control board issued an emergency rule establishing the direct PM<sub>2.5</sub> significant level at ten (10) tons per year. This rule became effective June 28, 2011. Therefore, direct PM<sub>2.5</sub>, SO<sub>2</sub>, and NO<sub>x</sub> emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.
- (c) **Other Criteria Pollutants**  
 Porter County has been classified as attainment or unclassifiable in Indiana for all regulated pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

**Fugitive Emissions**

Since this source is classified as an electric utility generation station, it is considered one of the twenty-eight (28) listed source categories, as specified in 326 IAC 2-2, 326 IAC 2-3, or 326 IAC 2-7. Therefore, fugitive emissions are counted toward the determination of PSD, Emission Offset, and Part 70 Permit applicability.

**Source Status**

The table below summarizes the potential to emit of the entire source, prior to the proposed modification, after consideration of all enforceable limits established in the effective permits:

<b>Pollutant</b>	<b>Emissions (ton/yr)</b>
PM	12311
PM <sub>10</sub>	2936
PM <sub>2.5</sub>	<2924
SO <sub>2</sub>	76,192
VOC	123
CO	798
NO <sub>x</sub>	32,537
GHGs as CO <sub>2</sub> e	5,336,171
Total HAPs	>25
Single HAP	>10

- (a) This existing source is a major stationary source, under PSD (326 IAC 2-2), because a regulated pollutant is emitted at a rate of 100 tons per year or more, emissions of GHGs are equal to or greater than one hundred thousand (100,000) tons of CO<sub>2</sub> equivalent emissions (CO<sub>2</sub>e) per year and it is one of the twenty-eight (28) listed source categories, as specified in 326 IAC 2-2-1(ff)(1).
- (b) This source is a major stationary source for Nonattainment NSR for Ozone because emissions of VOC and NO<sub>x</sub>, precursors for Ozone are greater than 100 tons per year.
- (c) These emissions are based upon Part 70 Permit Renewal T127-29738-00002, issued on September 6, 2012.

- (d) This existing source is a major source of HAPs, as defined in 40 CFR 63.2, because HAPs emissions are greater than ten (10) tons per year for any single HAP and greater than twenty-five (25) tons per year of a combination of HAPs. Therefore, this source is a major source under Section 112 of the Clean Air Act (CAA).

#### Description of Proposed Modification

The Office of Air Quality (OAQ) has reviewed a modification application, submitted by NIPSCO - Bailly Station on January 24, 2014, relating to install and operate an activated carbon injection (ACI) system for Units 7 and 8.

The following is a list of the modified emission units and pollution control devices:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014**, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was also authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of 40 million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014**, and an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

The following is a list of the new emission units and other equipment associated with the project:

- (c) Material Handling and storage facilities for the activated carbon system, approved for construction in 2014, including the following:
- (1) One (1) storage silo, with a capacity of 160 tons, with a bin vent filter to recover the pneumatically conveyed material
  - (2) Pneumatic conveyance of activated carbon to storage silos from the pneumatic delivery trucks.
  - (3) Mechanical/gravitational conveyance of activated carbon from the storage silos to the feed hopper.

- (4) Pneumatic conveyance of activated carbon from the feed hopper to the injection grid.
- (5) An injection grid for each unit to deliver activated carbon into the flue gas path upstream of the ESP with maximum injection rate of 6 pounds per million actual cubic feet (acf).

<b>“Integral Part of the Process” Determination</b>
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The Permittee has submitted the following information to justify why the bin vent filter should be considered an integral part of the ACI silo:

The Permittee described in the permit application that, the bin vent filters for the ACI silo are part of the pneumatic unloading and conveyance systems. The source evaluated the bin vent filter for 'integral to the process' determination using the three criteria specified in EPA's policy determination in this regard (See letter from David Solomon Acting Group Leader, Integrated Implementation Group, OAQPS, USEPA to Timothy J. Mohin, Government Affairs Manager, Intel Government Affairs, November 27, 1995.)

In 2002, the EPA used the 'integral to process' test to determine that the control devices on cement silos were integral to the process See letter from William T. Harnett, Director, Information Transfer and Program Integration Division, OAQPS USEPA to Edward R. Herbert, Director of Environmental Affairs, National Ready Mixed Concrete Association, July 10, 2002). The proposed ACI storage silos are similar in operation to the cement silos referred to in this letter.

The results of the 'integral to the process' evaluation are presented below:

- 1. Is the primary purpose of the equipment to control air pollution?

The primary purpose of the bin vent filters is to equalize the system pressure and collect product materials and allow venting of the pneumatic conveying systems for its proper functioning during loading and conveyance of product. The bin vent filters for the ACI storage silo are part of the pneumatic unloading and conveyance systems. Its purpose is not to control air pollution.

- 2. Where the equipment is recovering product, how do the cost savings from the product recovery compare to the cost of the equipment?

The carbon collected by the filters will be recovered for use as product. if the dust collector was not present, the pneumatic conveying systems will not operate properly. In addition, a significant amount of material will be released during pressurizing the system for unloading/conveyance resulting in loss of material and hygiene/safety issues.

**Cost Savings Analysis**

**Bin Vent Filters**

Capital Cost	=	\$15,000 (Total)
New Cartridges	=	\$190 per cartridge
No. of Cartridges	=	4
Annual Cost for Replacement	=	\$760
Interest	=	7% EPA Default
Equipment Live	=	20 years
Capital Recovery Factor (CRF)	=	0.09
Annualized Cost	=	\$2,176 Cost per year

**Activated Carbon Injection (ACI) Process**

Carbon injected in duct	=	3,311 tons per year
<i>From truck material transport calculations for paved roads</i>		
Carbon Exhausted During Transfer	=	5% without bin vent filters
<i>Conservative Engineering Estimate</i>		
Carbon Material Received	=	3,485 tons per year

Carbon Lost During Transfer = 174.26 ton  
 Cost of Activated Carbon Material = \$2,400 cost per ton  
 Cost of Lost Carbon Material = \$418,232 cost per year

Payback period for bin vent filters = 0.01 years or 4 days

As seen from the cost of the material recovered and the cost of the equipment, the results overwhelming demonstrate that the bin vent filters are an integral part of the process and are necessary for cost effective operation of the ACI.

3. Would the equipment be installed if no air quality regulations are in place?

Yes, even if air quality regulations were not in place, the bin vent filters, will be installed regardless of air quality requirements.

IDEM, OAQ has evaluated the information submitted and has determined that the bin vent filter is an integral part to the ACI silo. This determination is based on the fact that the carbon would exhaust out the silo if the bin vent filter was not in place. Furthermore, the bin vent filter has an overwhelming positive net economic effect for the source.

The integral determination does not negate the requirement for a limit to comply with 326 IAC 2-2 (Prevention of Significant Deterioration).

**Enforcement Issues**

There are no pending enforcement actions.

**Emission Calculations**

See Appendix A of this Technical Support Document for detailed emission calculations.

**Permit Level Determination – Part 70**

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as “the maximum capacity of a stationary source or emission unit to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA, IDEM, or the appropriate local air pollution control agency.”

The following table is used to determine the appropriate permit level under 326 IAC 2-7-10.5. This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

<b>Increase in PTE Before Controls of the Modification</b>	
<b>Pollutant</b>	<b>Potential To Emit (ton/yr)</b>
PM	17.02
PM <sub>10</sub>	8.50
PM <sub>2.5</sub>	1.77
SO <sub>2</sub>	0.00
VOC	0.00
CO	0.00
NO <sub>x</sub>	0.00
Single HAPs	0.00
Total HAPs	0.00

This source modification is subject to 326 IAC 2-7-10.5(e)(1)(A), "modifications that would have a potential to emit less than twenty-five (25) tons per year of PM, PM10, and PM2.5." Additionally, the modification will be incorporated into the Part 70 Operating Permit through an administrative amendment issued pursuant to 326 IAC 2-7-11(a)(8)(B), because the permit incorporates an insignificant activity as defined in 326 IAC 2-7-1(21).

**Permit Level Determination – PSD Actual to Projected Actual Test**

The table below summarizes the potential to emit, reflecting all limits, of the emission units. Any control equipment is considered federally enforceable only after issuance of this Part 70 permit modification, and only to the extent that the effect of the control equipment is made practically enforceable in the permit. The major modification applicability determination performed by the applicant for the project at an existing electric utility steam generating unit (EUSGU). The applicant used the actual-to-projected actual applicability test for existing EUSGU for the proposed project and submitted the applicability evaluation to IDEM as part of the permit application for this project.

Past Actual to Future Projected Analysis for Unit 7 and Unit 8			
Emissions	PM (tons)	PM10 (tons)	PM2.5 (tons)
Baseline Actual Emissions for Unit 7	168.00	212.47	148.24
Baseline Actual Emissions for Unit 8	332.43	420.42	293.32

NIPSCO - Bailly Generating Station submitted information under a claim of confidentiality that supports the determination by IDEM, OAQ that the project will not result in a significant increase in regulated NSR pollutants. IDEM, OAQ has not yet made a determination on the confidentiality claim but is holding the information as confidential pursuant to IC 5-14-3-4, IC 5-14-3-10, and 326 IAC 17.1 *et seq.*

Process / Emission Unit	Hybrid Test (ton/yr)							
	PM	PM <sub>10</sub>	PM <sub>2.5</sub> *	SO <sub>2</sub>	VOC	CO	NO <sub>x</sub>	GHGs
Unit 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 8	11.04	5.52	1.10	0.00	0.00	0.00	0.00	0.00
Activated Carbon Silo - Vent	0.0939	0.0939	0.0939	0.00	0.00	0.00	0.00	0.00
Spent Carbon Fly Ash Silo - Vent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Spent Carbon Silo Drop to Disposal Truck	0.0089	0.0042	0.00006	0.00	0.00	0.00	0.00	0.00
Activated Carbon Vehicle Traffic	0.0897	0.0179	0.0044	0.00	0.00	0.00	0.00	0.00
Spent Carbon Vehicle Traffic	0.0897	0.0179	0.0044	0.00	0.00	0.00	0.00	0.00
Total for Modification	11.32	5.65	1.21	0.00	0.00	0.00	0.00	0.00
Significant Level	25	15	10	40	40	100	40	75,000 CO <sub>2e</sub>

The Permittee has provided information as part of the application for this approval that based on Actual to Projected Actual test in 326 IAC 2-2-2(d)(3) this modification at a major stationary source will not be major for Prevention of Significant Deterioration under 326 IAC 2-2-1. IDEM, OAQ has not reviewed this information and will not be making any determination in this regard as part of this approval. The applicant will be required to keep records and report in accordance with Source obligation in 326 IAC 2-2-8.

**Federal Rule Applicability Determination**

The following federal rules are applicable to the source due to this modification:

**NSPS:**

(a) There are no New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) included in this proposed modification.

**NESHAP:**

(b) There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs) (326 IAC 14, 326 IAC 20 and 40 CFR Part 63) included in this proposed modification.

**CAM:**

(c) Pursuant to 40 CFR 64.2, Compliance Assurance Monitoring (CAM) is applicable to new or modified emission units that involve a pollutant-specific emission unit and meet the following criteria:

- (1) has a potential to emit before controls equal to or greater than the Part 70 major source threshold for the pollutant involved;
- (2) is subject to an emission limitation or standard for that pollutant; and
- (3) uses a control device, as defined in 40 CFR 64.1, to comply with that emission limitation or standard.

The following table is used to identify the applicability of each of the criteria, under 40 CFR 64.1, to each new or modified emission unit involved:

<b>CAM Applicability Analysis</b>							
<b>Emission Unit</b>	<b>Control Device Used</b>	<b>Emission Limitation (Y/N)</b>	<b>Uncontrolled PTE (ton/yr)</b>	<b>Controlled PTE (ton/yr)</b>	<b>Part 70 Major Source Threshold (ton/yr)</b>	<b>CAM Applicable (Y/N)</b>	<b>Large Unit (Y/N)</b>
ACI Silo	Bin Vent Filter	N	1.8	0.09	100	N	N

Based on this evaluation, the requirements of 40 CFR Part 64, CAM are not applicable to any of the modified units as part of this modification.

<b>State Rule Applicability Determination</b>
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The following state rules are applicable to the source due to the modification:

**326 IAC 2-2 (PSD)**

PSD applicability is discussed under the Permit Level Determination – PSD section.

**326 IAC 2-4.1 (Major Sources of Hazardous Air Pollutants (HAP))**

The operation of the ACI silo will emit less than ten (10) tons per year for a single HAP and less than twenty-five (25) tons per year for a combination of HAPs. Therefore, 326 IAC 2-4.1 does not apply.

**326 IAC 2-6 (Emission Reporting)**

Since this source is located in Porter County, and has a potential to emit NO<sub>x</sub> is greater than or equal to twenty-five (25) tons per year, an emission statement covering the previous calendar year must be submitted by July 1 of each year. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

### 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

Pursuant to 326 IAC 6-3-1(b)(14), the ACI silo is not subject to the requirements of 326 IAC 6-3-2 since the particulate matter (PM) emissions are less than five hundred fifty-one thousandths (0.551) pound per hour.

## Compliance Determination and Monitoring Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with all applicable state and federal rules on a continuous basis. All state and federal rules contain compliance provisions; however, these provisions do not always fulfill the requirement for a continuous demonstration. When this occurs, IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, Compliance Determination Requirements are included in the permit. The Compliance Determination Requirements in Section D of the permit are those conditions that are found directly within state and federal rules and the violation of which serves as grounds for enforcement action.

If the Compliance Determination Requirements are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also in Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

There are no compliance determination requirements applicable to this modification.

There are no testing requirements applicable to this modification.

## Proposed Changes

The changes listed below have been made to Part 70 Operating Permit No. 127-29738-00002. Deleted language appears as ~~strikethroughs~~ and new language appears in **bold**:

**[Change 1]:** IDEM, OAQ has clarified the rule sites for the Preventive Maintenance Plan.

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)]  
[326 IAC 2-7-5(~~4514~~)]

This stationary source consists of the following emission units and pollution control devices:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was also authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of 40 million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone

flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

\*\*\*

**(k) Material Handling and storage facilities for the activated carbon system, approved for construction in 2014, including the following:**

- (1) One (1) storage silo, with a capacity of 160 tons, with a bin vent filter to recover the pneumatically conveyed material**
- (2) Pneumatic conveyance of activated carbon to storage silos from the pneumatic delivery trucks.**
- (3) Mechanical/gravitational conveyance of activated carbon from the storage silos to the feed hopper.**
- (4) Pneumatic conveyance of activated carbon from the feed hopper to the injection grid.**
- (5) An injection grid for each unit to deliver activated carbon into the flue gas path upstream of the ESP with maximum injection rate of 6 pounds per million actual cubic feet (acf).**

\*\*\*\*

**[Change 2]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.8 Certification [326 IAC 2-7-4(f)][326 IAC 2-7-6(1)][326 IAC 2-7-5(3)(C)]

(a) A certification required by this permit meets the requirements of 326 IAC 2-7-6(1) if:

- (1) it contains a certification by a "responsible official" as defined by 326 IAC 2-7-1(3435), and

\*\*\*

(c) A "responsible official" is defined at 326 IAC 2-7-1(3435).

\*\*\*

**[Change 3]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.9 Annual Compliance Certification [326 IAC 2-7-6(5)]

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(c) The annual compliance certification report shall include the following:

\*\*\*\*

- (5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ may require to determine the compliance status of the source.

The submittal by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(~~3435~~).

\*\*\*

**[Change 4]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.10 Preventive Maintenance Plan [326 IAC 2-7-5(12)][326 IAC 1-6-3]

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\*\*\*\*

- (c) A copy of the PMPs shall be submitted to IDEM, OAQ within a reasonable time upon request by IDEM, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions specified in this permit. The PMPs and their submittal do not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(~~3435~~).

\*\*\*\*

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**[Change 5]:** The Northwest Regional Office has changed locations. The Region Office address and telephone numbers have been updated. On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.11 Emergency Provisions [326 IAC 2-7-16]

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- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:

\*\*\*

- (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, or Northwest Regional Office within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance and Enforcement Branch), or

Telephone Number: 317-233-0178 (ask for Office of Air Quality, Compliance and Enforcement Branch)

Facsimile Number: 317-233-6865

Northwest Regional Office phone: ~~(219) 757-0265~~ **(219) 464-0233**; fax: ~~(219) 757-0267~~ **(219) 464-0553**.

- (5) For each emergency lasting one (1) hour or more, the Permittee submitted the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

\*\*\*

The notification which shall be submitted by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(~~3435~~).

\*\*\*

**[Change 6]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.15 Permit Modification, Reopening, Revocation and Reissuance, or Termination  
[326 IAC 2-7-5(6)(C)][326 IAC 2-7-8(a)][326 IAC 2-7-9]

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- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 Operating Permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit.  
[326 IAC 2-7-5(6)(C)] The notification by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 7]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.16 Permit Renewal [326 IAC 2-7-3][326 IAC 2-7-4][326 IAC 2-7-8(e)]

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- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ and shall include the information specified in 326 IAC 2-7-4. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 8]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.17 Source Modification Requirements [326 IAC 1-2-42][326 IAC 2-7-10.5][326 IAC 2-2-2]  
[326 IAC 2-3-2]

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- (a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the IDEM, OAQ prior to making any modification to the source:
- (b) Any application requesting a source modification shall be submitted to:

Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

Any such application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 9]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

B.18 Permit Amendment or Modification [326 IAC 2-7-11][326 IAC 2-7-12] [40 CFR 72]

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- (c) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

Any such application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 10]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

**B.20 Operational Flexibility [326 IAC 2-7-20][326 IAC 2-7-10.5]**

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- (b) The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of 326 IAC 2-7-20(a). For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:
- (1) A brief description of the change within the source;
  - (2) The date on which the change will occur;
  - (3) Any change in emissions; and
  - (4) Any permit term or condition that is no longer applicable as a result of the change.

The notification which shall be submitted is not considered an application form, report or compliance certification. Therefore, the notification by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 11]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

**B.22 Transfer of Ownership or Operational Control [326 IAC 2-7-11]**

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- (b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management  
Permit Administration and Support Section, Office of Air Quality  
100 North Senate Avenue  
MC 61-53 IGCN 1003  
Indianapolis, Indiana 46204-2251

Any such application does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 12]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

**C.9 Performance Testing [326 IAC 3-6]**

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- (a) \*\*\*  
no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).
- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days

prior to the actual performance test date. The notification submitted by the Permittee does not require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 13]:** IDEM is changing the Section C Compliance Monitoring Condition to clearly describe when new monitoring for new and existing units must begin. On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

C.11 Compliance Monitoring [326 IAC 2-7-5(3)][326 IAC 2-7-6(1)][40 CFR 64][326 IAC 3-8]

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**(a) For new units:**

**Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units shall be implemented on and after the date of initial start-up.**

**(b) For existing units:**

Unless otherwise specified in this permit, for all monitoring requirements not already legally required, the Permittee shall be allowed up to ninety (90) days from the ~~effective date of the permit~~ **issuance** ~~or of initial start-up, whichever is later,~~ to begin such monitoring. If, due to circumstances beyond the Permittee's control, any monitoring equipment required by this permit cannot be installed and operated no later than ninety (90) days after ~~the effective date of the permit or the date of initial startup, whichever is later,~~ **permit issuance**, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

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

in writing, prior to the end of the initial ninety (90) day compliance schedule, with full justification of the reasons for the inability to meet this date.

The notification which shall be submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

~~Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units or emission units added through a source modification shall be implemented when operation begins.~~

\*\*\*

**[Change 14]:** IDEM clarified the following condition to indicate that the analog instrument must be capable of measuring the parameters outside the normal range.

C.14 Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

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- (a) When required by any condition of this permit, an analog instrument used to measure a parameter related to the operation of an air pollution control device shall have a scale such that the expected maximum reading for the normal range shall be no less than twenty percent (20%) of full scale. **The analog instrument shall be capable of measuring values outside of the normal range.**
- (b) The Permittee may request that the IDEM, OAQ approve the use of an instrument that does not meet the above specifications provided the Permittee can demonstrate that an alternative instrument specification will adequately ensure compliance with permit conditions requiring the measurement of the parameters.

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**[Change 15]:** IDEM, OAQ has clarified the rule sites for the Preventive Maintenance Plan.

C.16 Risk Management Plan [326 IAC 2-7-5(4211)] [40 CFR 68]

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If a regulated substance, as defined in 40 CFR 68, is present at a source in more than a threshold quantity, the Permittee must comply with the applicable requirements of 40 CFR 68.

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**[Change 16]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

C.18 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5][326 IAC 2-7-6]

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The response action documents submitted pursuant to this condition do require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 17]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

C.19 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

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The emission statement does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435).

\*\*\*

**[Change 18]:** IDEM added "where applicable" to the lists in Section C - General Record Keeping Requirements to more closely match the underlying rule.

C.20 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6] [326 IAC 2-2] [326 IAC 2-3]

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- (a) Records of all required monitoring data, reports and support information required by this permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. Support information includes the following, **where applicable:**
- (AA) All calibration and maintenance records.
  - (BB) All original strip chart recordings for continuous monitoring instrumentation.
  - (CC) Copies of all reports required by the Part 70 permit.

Records of required monitoring information include the following, **where applicable:**

- (AA) The date, place, as defined in this permit, and time of sampling or measurements.

- (BB) The dates analyses were performed.
- (CC) The company or entity that performed the analyses.
- (DD) The analytical techniques or methods used.
- (EE) The results of such analyses.
- (FF) The operating conditions as existing at the time of sampling or measurement.

\*\*\*

**[Change 19]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition. IDEM, OAQ has clarified the interaction of the Quarterly Deviation and Compliance Monitoring Report and the Emergency Provisions.

C.21 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11] [326 IAC 2-2] [40 CFR 64][326 IAC 3-8]

The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. **Proper notice submittal under Section B –Emergency Provisions satisfies the reporting requirements of this paragraph.** Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported except that a deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. This report shall be submitted not later than thirty (30) days after the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435). A deviation is a failure to comply with a requirement of the permit.

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**SECTION D.1 EMISSIONS UNIT OPERATION CONDITIONS**

**Emissions Unit Description:**

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of forty (40) million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) new natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM)

system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

\*\*\*

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

\*\*\*\*

**[Change 20]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the “responsible official” definition.

#### D.1.11 Reporting Requirements

- (a) A quarterly report of opacity exceedances and a quarterly summary of the information to document the compliance status with Section C - Opacity and Conditions D.1.1(a) and (b), D.1.2, D.1.3, and D.1.6 shall be submitted within thirty (30) days after the end of the calendar quarter being reported. The report submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a “responsible official” as defined by 326 IAC 2-7-1(3435). Section C - General Reporting Requirements contains the Permittee’s obligations with regard to the reporting required by this condition. Pursuant to Condition D.1.6(d) regarding the reporting of 30-day rolling weighted average emission rates for SO<sub>2</sub>, the quarterly report for SO<sub>2</sub> shall explain whether any excess 24 hour average emission rates due to startup and shutdown were excluded from the compliance determination.
- (b) \*\*\*\*
- The report submitted by the Permittee does require the certification by a “responsible official” as defined by 326 IAC 2-7-1(3435).
- (c) A quarterly summary of the information to document the compliance status with Condition D.1.0 - Prevention of Significant Deterioration (PSD) Minor Limits shall be submitted, using the reporting forms located at the end of this permit, or their equivalent, not later than thirty (30) days following the end of each calendar quarter. The report submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a “responsible official” as defined by 326 IAC 2-7-1(3435). Section C - General Reporting Requirements contains the Permittee’s obligations with regard to the reporting required by this condition.

\*\*\*

**[Change 21]:** IDEM has removed the duplicative language.

#### D.2.1 Prevention of Significant Deterioration (PSD) Minor Limits [326 IAC 2-2]

The Permittee shall comply with the following:

- (a) ~~In order to make the requirements of 326 IAC 2-2 (PSD Requirements) not applicable to Auxiliary Boilers 1 and 2, the nitrogen oxides (NO<sub>x</sub>) emissions from both of the auxiliary boilers shall be limited to less than 40 tons per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month.~~
- (ba) The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period, ~~with compliance determined at the end of each month.~~  
**Compliance with this limit shall be determined at the end of each month.**

(eb) NO<sub>x</sub> emissions shall not exceed 280 lb/MMCF.

**Compliance with the above limits shall limit the NO<sub>x</sub> emissions from the auxiliary boilers and other emission units to less than forty (40) tons per year and render the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.**

\*\*\*

**[Change 22]:** IDEM has removed the reference to Prevention of Significant Deterioration.

#### D.2.4 Record Keeping Requirements

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- (a) To document the compliance status with Condition D.2.1 ~~Prevention of Significant Deterioration~~, the Permittee shall maintain records of the monthly natural gas usage for Auxiliary Boilers 1 and 2, in MMCF.
- (b) Section C - General Record Keeping Requirements contains the Permittee's obligations with regard to the record keeping required by this condition.

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**[Change 23]:** On November 3, 2011, the Indiana Air Pollution Control Board issued a revision to 326 IAC 2. The revision resulted in a change to the rule site of the "responsible official" definition.

#### D.2.5 Reporting Requirements

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A quarterly summary of the information to document compliance with Condition D.2.1(b) - ~~Prevention of Significant Deterioration~~ shall be submitted using the reporting forms located at the end of this permit, or their equivalent, not later than thirty (30) days following the end of each calendar quarter. The report submitted by the Permittee does require a certification that meets the requirements of 326 IAC 2-7-6(1) by a "responsible official" as defined by 326 IAC 2-7-1(3435). Section C - General Reporting Requirements contains the Permittee's obligations with regard to the reporting required by this condition.

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**[Change 24]:**

#### D.4.1 Particulate Emission Limitation for Manufacturing Processes [326 IAC 6-3-2]

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- (a) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes) the allowable PM emission rate from the coal handling shall be calculated as follows and not exceed 77.59 pounds per hour when operating at a process weight rate of 1000 tons per hour.

Interpolation of the data for the process weight in excess of 60,000 pounds per hour shall be accomplished by use of the equation:

$$E = 55.0P^{0.11} - 40$$

where E = rate of emission in pounds per hour;  
P = process weight rate in tons per hour

Or

For the coal storage and handling at the maximum throughput rate of 1000 tons per hour, the concentration of particulate in the discharge gases to the atmosphere shall be less than 0.10 pounds per one thousand (1,000) pounds of gases.

~~Interpolation of the data for the process weight in excess of 60,000 pounds per hour shall be accomplished by use of the equation:~~

---

~~$$E = 55.0P^{0.11} - 40$$~~

---

~~where E = rate of emission in pounds per hour;  
P = process weight rate in tons per hour~~

- (b) Pursuant to 326 IAC 6-3-2(e)(3) (Particulate Emission Limitations for Manufacturing Processes) the coal crushers operating at a process weight rate of 600 tons per hour, the maximum allowable emission ~~may~~ **shall not** exceed 71 pounds per hour.

Or

For the coal crushers at the maximum throughput rate of 600 tons per hour, the concentration of particulate in the discharge gases to the atmosphere shall be less than 0.10 pounds per one thousand (1,000) pounds of gases.

\*\*\*

**[Change 25]:**

D.5.1 Particulate Emission Limitation for Manufacturing Processes [326 IAC 6-3-2]

- (a) Pursuant to **PC (64) 1816, issued March 15, 1990** ~~326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)~~, particulate matter emissions from each of the limestone and lime bin vent filters shall be limited to 0.02 grains per dry acfm.

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D.5.2 Material Handling Requirements [326 IAC 2-2-3]

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**[Change 26]:** On January 30, 2013, the Indiana Air Pollution Control Board issued a revision to 326 IAC 8-3. The revision resulted in a change to the rule for organic solvent degreasing operation: cold cleaner operations.

D.8.1 Cold Cleaner Degreaser Control Equipment and Operating Requirements [326 IAC 8-3-2]

**Pursuant to 326 IAC 8-3-2 (Cold Cleaner Degreaser Control and Equipment Operating Requirements), the Permittee shall:**

- (a) **Ensure the following control equipment and operating requirements are met:**
- (1) **Equip the degreaser with a cover.**
  - (2) **Equip the degreaser with a device for draining cleaned parts.**
  - (3) **Close the degreaser cover whenever parts are not being handled in the degreaser.**
  - (4) **Drain cleaned parts for at least fifteen (15) seconds or until dripping ceases;**
  - (5) **Provide a permanent, conspicuous label that lists the operating requirements in subdivisions (3), (4), (6), and (7).**
  - (6) **Store waste solvent only in closed containers.**
  - (7) **Prohibit the disposal or transfer of waste solvent in such a manner that could allow greater than twenty percent (20%) of the waste solvent (by weight) to evaporate into the atmosphere.**

D.8.2 Material Requirements for Cold Cleaner Degreasers [326 IAC 8-3-8]

**Pursuant to 326 IAC 8-3-8 (Material Requirements for Cold Cleaner Degreasers), the Permittee shall not operate a cold cleaning degreaser with a solvent that has a VOC composite partial vapor pressure that exceeds one (1) millimeter of mercury (nineteen-thousandths (0.019) pound per square inch) measured at twenty (20) degrees Celsius (sixty-eight (68) degrees Fahrenheit).**

## Record Keeping and Reporting Requirement [326 IAC 2-8-4(3)] [326 IAC 2-8-16]

### D.8.3 Record Keeping Requirements

To document the compliance status with Condition D.8.2, the Permittee shall maintain the following records for each purchase of solvent used in the cold cleaner degreasing operations. These records shall be retained on-site or accessible electronically for the most recent three (3) year period and shall be reasonably accessible for an additional two (2) year period.

- (a) The name and address of the solvent supplier.
- (b) The date of purchase.
- (c) The type of solvent purchased.
- (d) The total volume of the solvent purchased.
- (e) The true vapor pressure of the solvent measured in millimeters of mercury at twenty (20) degrees Celsius (sixty-eight (68) degrees Fahrenheit).

#### ~~D.8.1 Organic Solvent Degreasing Operations: Cold Cleaner Operation [326 IAC 8-3-2]~~

~~Pursuant to 326 IAC 8-3-2 (Cold Cleaner Operations), for cold cleaning operations constructed after January 1, 1980, the Permittee shall:~~

- ~~(a) Equip the cleaner with a cover;~~
- ~~(b) Equip the cleaner with a facility for draining cleaned parts;~~
- ~~(c) Close the degreaser cover whenever parts are not being handled in the cleaner;~~
- ~~(d) Drain cleaned parts for at least fifteen (15) seconds or until dripping ceases;~~
- ~~(e) Provide a permanent, conspicuous label summarizing the operation requirements;~~
- ~~(f) Store waste solvent only in covered containers and not dispose of waste solvent or transfer it to another party, in such a manner that greater than twenty percent (20%) of the waste solvent (by weight) can evaporate into the atmosphere.~~

#### ~~D.8.2 Organic Solvent Degreasing Operations: Cold Cleaner Degreaser Operation and Control [326 IAC 8-3-5]~~

~~(a) Pursuant to 326 IAC 8-3-5(a) (Cold Cleaner Degreaser Operation and Control), for cold cleaner degreaser operations without remote solvent reservoirs, constructed after July 1, 1990, the Permittee shall ensure that the following control equipment requirements are met:~~

- ~~(1) Equip the degreaser with a cover. The cover must be designed so that it can be easily operated with one (1) hand if:
  - ~~(A) The solvent volatility is greater than two (2) kiloPascals (fifteen (15) millimeters of mercury or three-tenths (0.3) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F));~~
  - ~~(B) The solvent is agitated; or~~
  - ~~(C) The solvent is heated.~~~~
- ~~(2) Equip the degreaser with a facility for draining cleaned articles. If the solvent volatility is greater than four and three-tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six-tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), then the drainage facility must be internal such that articles are~~

~~enclosed under the cover while draining. The drainage facility may be external for applications where an internal type cannot fit into the cleaning system.~~

- ~~(3) Provide a permanent, conspicuous label which lists the operating requirements outlined in subsection (b).~~
  - ~~(4) The solvent spray, if used, must be a solid, fluid stream and shall be applied at a pressure which does not cause excessive splashing.~~
  - ~~(5) Equip the degreaser with one (1) of the following control devices if the solvent volatility is greater than four and three tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), or if the solvent is heated to a temperature greater than forty-eight and nine tenths degrees Celsius (48.9°C) (one hundred twenty degrees Fahrenheit (120°F)):
    - ~~(A) A freeboard that attains a freeboard ratio of seventy five hundredths (0.75) or greater.~~
    - ~~(B) A water cover when solvent is used is insoluble in, and heavier than, water.~~
    - ~~(C) Other systems of demonstrated equivalent control such as a refrigerated chiller or carbon adsorption. Such systems shall be submitted to the U.S. EPA as a SIP revision.~~~~
- ~~(b) Pursuant to 326 IAC 8-3-5(b) (Cold Cleaner Degreaser Operation and Control), the owner or operator of a cold cleaning facility construction of which commenced after July 1, 1990, shall ensure that the following operating requirements are met:~~
- ~~(1) Close the cover whenever articles are not being handled in the degreaser.~~
  - ~~(2) Drain cleaned articles for at least fifteen (15) seconds or until dripping ceases.~~
  - ~~(3) Store waste solvent only in covered containers and prohibit the disposal or transfer of waste solvent in any manner in which greater than twenty percent (20%) of the waste solvent by weight could evaporate.~~

\*\*\*\*

## SECTION E.1 EMISSIONS UNIT OPERATION CONDITIONS

### Emissions Unit Description:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of forty (40) million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) new natural

gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002. (The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

\*\*\*

**SECTION G Clean Air Interstate Rule (CAIR) Nitrogen Oxides Annual, Sulfur Dioxide, and Nitrogen Oxides Ozone Season Trading Programs – CAIR Permit for CAIR Units Under 326 IAC 24-1-1(a), 326 IAC 24-2-1(a), and 326 IAC 24-3-1(a)**

ORIS Code: 995

**Emissions Unit Description:**

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to one (1) natural gas fired flue gas reheating Duct Burner with a maximum design heat input capacity of forty (40) million Btu per hour. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, **with an activated carbon injection system for control of mercury emissions authorized in 2014, with and** an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 8 is equipped with a selective catalytic reduction (SCR) system and in 2011 was authorized to install up to four (4) new natural gas fired flue gas reheating Duct Burners each with a maximum design heat input capacity of 40 million Btu per hour. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO<sub>x</sub>) and for sulfur dioxide (SO<sub>2</sub>) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.

(The information describing the process contained in this emissions unit description box is descriptive information and does not constitute enforceable conditions.)

\*\*\*

**Conclusion and Recommendation**

The construction of this proposed modification shall be subject to the conditions of the attached proposed Part 70 Minor Source Modification No. 127-34111-00002 and Administrative

Amendment No. 127-34516-00002. The staff recommends to the Commissioner that this Part 70 Minor Source Modification and Administrative Amendment be approved.

<b>IDEM Contact</b>
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- (a) Questions regarding this proposed permit can be directed to Deena Patton at the Indiana Department Environmental Management, Office of Air Quality, Permits Branch, 100 North Senate Avenue, MC 61-53 IGCN 1003, Indianapolis, Indiana 46204-2251 or by telephone at (317) 234-5400 or toll free at 1-800-451-6027 extension 4-5400.
- (b) A copy of the findings is available on the Internet at: <http://www.in.gov/ai/appfiles/idem-caats/>
- (c) For additional information about air permits and how the public and interested parties can participate, refer to the IDEM's Guide for Citizen Participation and Permit Guide on the Internet at: [www.idem.in.gov](http://www.idem.in.gov)

**Appendix A: Emission Calculations  
Summary**

**Company Name: NIPSCO-Bailly Generating Station**  
**Source Address: 246 Bailly Station Road, Chesterton, IN 46304**  
**MSM Permit Number: 127-34111-00002**  
**AA Permit Number: 127-34156-00002**  
**Reviewer: Deena Patton**

<b>Uncontrolled Potential to Emit (ton/yr)</b>			
<b>Emission Unit</b>	<b>PM</b>	<b>PM10</b>	<b>PM2.5</b>
Unit 7 & 8 ACI System	16.56	8.28	1.66
AC Silo	0.09	0.09	0.09
Spent Carbon Truck Loading	0.18	0.08	0.01
Activated Carbon Vehicle Traffic	0.09	0.02	0.00
Spent Carbon Vehicle Traffic	0.09	0.02	0.00
<b>Total</b>	<b>17.02</b>	<b>8.50</b>	<b>1.77</b>

<b>Controlled Potential to Emit (ton/yr)</b>			
<b>Emission Unit</b>	<b>PM</b>	<b>PM10</b>	<b>PM2.5</b>
Unit 7 & 8 ACI System	16.56	8.28	1.66
AC Silo	0.09	0.09	0.09
Spent Carbon Truck Loading	0.01	0.00	0.00
Activated Carbon Vehicle Traffic	0.09	0.02	0.00
Spent Carbon Vehicle Traffic	0.09	0.02	0.00
<b>Total</b>	<b>16.84</b>	<b>8.41</b>	<b>1.76</b>

**Appendix A: Emission Calculations  
Unit 7 & Unit 8 ACI Systems**

**Company Name: NIPSCO-Bailly Generating Station**  
**Source Address: 246 Bailly Station Road, Chesterton, IN 46304**  
**MSM Permit Number: 127-34111-00002**  
**AA Permit Number: 127-34156-00002**  
**Reviewer: Deena Patton**

<b>Emission Unit</b>	<b>Activated Carbon Annual Throughput (tons/yr)<sup>1,2</sup></b>	<b>PM Emission Factor (fraction)<sup>3</sup></b>	<b>PM10 Emission Factor (fraction)<sup>4</sup></b>	<b>PM2.5 Emission Factor (fraction)<sup>4</sup></b>	<b>Control Efficiency (%)<sup>5</sup></b>	<b>PTE PM (ton/yr)</b>	<b>PTE PM10 (ton/yr)</b>	<b>PTE PM2.5 (ton/yr)</b>
Unit 7	1,104	1	0.5	0.1	99.5%	5.52	2.76	0.55
Unit 8	2,208	1	0.5	0.1	99.5%	11.04	5.52	1.10
<b>Total</b>						<b>16.56</b>	<b>8.28</b>	<b>1.66</b>

1. 0.7 million acfm \* 6 pound/million acf \* 60 minutes/hour \* 8760 hours/year / 2000lbs/ton = 1,104 tons/y

2. 1.4 million acfm \* 6 pound/million acf\* 60 minutes/hour\* 8760 hours/year / 2000lbs/ton = 2, 208 tons/y

3. Activated Carbon Injection for Mercury Control on Industrial Coal fired Boilers Richard Miller Vice President Busines

4. Conservative Assumption as worst case scenario

5. ESP design efficiencies approximately 99%. Conservatively assumed that wet scrubber will achieve 50% additional reductor

Methodology:

Controlled PTE (ton/yr) = Activated Carbon Annual Throughput (tons/yr) \* emission factor (fraction) \* (1-control efficiency)

Uncontrolled PTE (ton/yr) = Activated Carbon Annual Throughput (tons/yr)\* emission factor (fraction)

**Appendix A: Emission Calculations:  
AC Silo PM Emissions**

**Company Name: NIPSCO-Bailly Generating Station**  
**Source Address: 246 Bailly Station Road, Chesterton, IN 46304**  
**MSM Permit Number: 127-34111-00002**  
**AA Permit Number: 127-34156-00002**  
**Reviewer: Deena Patton**

AC Silo Vent Grain Loading (gr/dscf)	Silo Vent Flow Rate (scfm)	Annual Operations (hrs)	Controlled PM Emissions (lb/hr)	Controlled PM Emissions (ton/year)	Control Efficiency (%)	Uncontrolled PM Emissions (lb/hr)	Uncontrolled PM Emissions (ton/yr)
0.005	500	8760	0.021	<b>0.094</b>	95%	0.43	<b>1.88</b>

**Methodology:**

Controlled PM Emissions (lb/hr) = AC Silo Vent Grain Loading (gr/dscf) \* Silo Vent Flow Rate (scfm) \* 60 min/1 hour \* 1lb/7000 grains

Controlled PM Emissions (ton/year) = Controlled PM Emissions (lb/hr) \* 8760 hours/1year \* 2000lb/1ton

Uncontrolled PM Emissions (lb/hr) = Controlled PM Emissions (lb/hr) / (1-Control Efficiency)

Uncontrolled PM Emissions (ton/yr) = Controlled PM Emissions (lb/hr) / (1-Control Efficiency)

0.377968037

**Appendix A: Emission Calculations  
Spent Carbon Truck Loading**

**Company Name: NIPSCO-Bailly Generating Station  
Source Address: 246 Bailly Station Road, Chesterton, IN 46304  
MSM Permit Number: 127-34111-00002  
AA Permit Number: 127-34156-00002  
Reviewer: Deena Patton**

SC Truck Loading Throughput (tons/yr)	Number of Drop Points	Moisture Content (%) (M)	Annual Mean Wind Speed (mph) (U)	Particle Size Multiplier for PM (k)	Particle Size Multiplier for PM10 (k)	Particle Size Multiplier for PM2.5 (k)	PM Emission Factor (lb/ton)*	PM10 Emission Factor (lb/ton)*	PM2.5 Emission Factor (lb/ton)*
3311	1	25%	10	0.74	0.35	0.053	0.107	0.051	0.008

\*Emission Factor Calculation from AP 42 Chapter 13.2.4

Control Efficiency (%)	Uncontrolled PM (lb/hr)	Uncontrolled PM10 (lb/hr)	Uncontrolled PM2.5 (lb/hr)	Controlled PM(lb/hr)	Controlled PM10 (lb/hr)	Controlled PM2.5 (lb/hr)
95%	0.0405	0.0192	0.0029	0.002	0.001	0.000

Uncontrolled PM (ton/yr)	Uncontrolled PM10 (ton/yr)	Uncontrolled PM2.5 (ton/yr)	Controlled PM (ton/yr)	Controlled PM10 (ton/yr)	Controlled PM2.5 (ton/yr)
<b>0.177</b>	<b>0.084</b>	<b>0.013</b>	<b>0.009</b>	<b>0.004</b>	<b>0.001</b>

**Methodology:**

Emission Factor (lb/ton) = Particle Size Multiplier (k) \* 0.0032 \* (((Annual Mean Wind Speed (mph)(U) / 5) ^ 1.3) / ((Material Moisture Content (%) / 2) ^ 1.4))

Uncontrolled (lb/hr) = Emission Factor (lb/ton) \* SC Truck Loading Throughput (tons/yr) / 8760 hours

Controlled (lb/hr) = Uncontrolled (lb/hr) \* (1-Control Efficiency)

Uncontrolled (ton/yr) = Uncontrolled (lb/hr) \* 8760 hours/2000 lbs

Controlled (ton/yr) = Controlled (lb/hr) \* 8760 hours/ 2000lbs

**Appendix A: Emission Calculation:  
Fugitive Dust Emissions - Paved Roads**

**Company Name: NIPSCO-Bailly Generating Station**  
**Source Address: 246 Bailly Station Road, Chesterton, IN 46304**  
**MSM Permit Number: 127-34111-00002**  
**AA Permit Number: 127-34156-00002**  
**Reviewer: Deena Patton**

Activated Carbon and Spent Carbon Vehicle Traffic

**Paved Roads at Industrial Site**

The following calculations determine the amount of emissions created by paved roads, based on 8,760 hours of use and AP-42, Ch 13.2.1 (1/2011).

Vehicle Information (provided by source)

Type	Maximum number of vehicles per day	Number of one-way trips per day per vehicle	Maximum trips per day (trip/day)	Maximum Weight Loaded (tons/trip)	Total Weight driven per day (ton/day)	Maximum one-way distance (feet/trip)	Maximum one-way distance (mi/trip)	Maximum one-way miles (miles/day)	Maximum one-way miles (miles/yr)
Vehicle (entering plant) (one-way trip)	0.4	1.0	0.4	40.0	14.4	9240	1.750	0.6	230.0
Vehicle (leaving plant) (one-way trip)	0.4	1.0	0.4	15.0	5.4	9240	1.750	0.6	230.0
<b>Totals</b>			<b>0.7</b>		<b>19.8</b>			<b>1.3</b>	<b>459.9</b>

Average Vehicle Weight Per Trip =  $\frac{27.5}{1.75}$  tons/trip  
 Average Miles Per Trip =  $\frac{27.5}{1.75}$  miles/trip

Unmitigated Emission Factor, Ef =  $[k * (sL)^{0.91} * (W)^{1.02}]$  (Equation 1 from AP-42 13.2.1)

	PM	PM10	PM2.5	
where k =	0.011	0.0022	0.00054	lb/VMT = particle size multiplier (AP-42 Table 13.2.1-1)
W =	27.5	27.5	27.5	tons = average vehicle weight (provided by source)
sL =	1.3	1.3	1.3	g/m <sup>2</sup> = silt loading value for paved roads at iron and steel production facilities - Table 13.2.1-3

Taking natural mitigation due to precipitation into consideration, Mitigated Emission Factor, Eext =  $E * [1 - (p/4N)]$  (Equation 2 from AP-42 13.2.1)

Mitigated Emission Factor, Eext =  $Ef * [1 - (p/4N)]$   
 where p =  $\frac{125}{365}$  days of rain greater than or equal to 0.01 inches (see Fig. 13.2.1-2)  
 N = 365 days per year

	PM	PM10	PM2.5	
Unmitigated Emission Factor, Ef =	0.410	0.082	0.0201	lb/mile
Mitigated Emission Factor, Eext =	0.375	0.075	0.0184	lb/mile

Process	Unmitigated PTE of PM (tons/yr)	Unmitigated PTE of PM10 (tons/yr)	Unmitigated PTE of PM2.5 (tons/yr)	Mitigated PTE of PM (tons/yr)	Mitigated PTE of PM10 (tons/yr)	Mitigated PTE of PM2.5 (tons/yr)
Vehicle (entering plant) (one-way trip)	0.05	0.01	0.00	0.04	0.01	0.00
Vehicle (leaving plant) (one-way trip)	0.05	0.01	0.00	0.04	0.01	0.00
<b>Totals</b>	<b>0.09</b>	<b>0.02</b>	<b>0.00</b>	<b>0.09</b>	<b>0.02</b>	<b>0.00</b>

**Methodology**

Total Weight driven per day (ton/day) = [Maximum Weight Loaded (tons/trip)] \* [Maximum trips per day (trip/day)]  
 Maximum one-way distance (mi/trip) = [Maximum one-way distance (feet/trip)] / [5280 ft/mi]  
 Maximum one-way miles (miles/day) = [Maximum trips per year (trip/day)] \* [Maximum one-way distance (mi/trip)]  
 Average Vehicle Weight Per Trip (ton/trip) = SUM[Total Weight driven per day (ton/day)] / SUM[Maximum trips per day (trip/day)]  
 Average Miles Per Trip (miles/trip) = SUM[Maximum one-way miles (miles/day)] / SUM[Maximum trips per year (trip/day)]  
 Unmitigated PTE (tons/yr) = [Maximum one-way miles (miles/yr)] \* [Unmitigated Emission Factor (lb/mile)] \* (ton/2000 lb)  
 Mitigated PTE (tons/yr) = [Maximum one-way miles (miles/yr)] \* [Mitigated Emission Factor (lb/mile)] \* (ton/2000 lb)  
 Controlled PTE (tons/yr) = [Mitigated PTE (tons/yr)] \* [1 - Dust Control Efficiency]

**Abbreviations**

PM = Particulate Matter  
 PM10 = Particulate Matter (<10 um)  
 PM2.5 = Particulate Matter (<2.5 um)  
 PTE = Potential to Emit



# INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

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**Michael R. Pence**  
*Governor*

**Thomas W. Easterly**  
*Commissioner*

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

TO: John M. Ross  
NIPSCO – Bailly Generating Station  
801 E 86<sup>th</sup> Street  
Merrillville, IN 46410

DATE: March 6, 2014

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

SUBJECT: Final Decision  
Minor Source Modification  
127-34111-00002

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:  
Anthony Sayers – General Manager  
Gurinder Saini – RTP Environmental Associates, Inc.  
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](mailto:jbrush@idem.IN.gov).

Final Applicant Cover letter.dot 6/13/2013

# Mail Code 61-53

IDEM Staff	GHOTOPP 3/6/2014 NIPSCO - Bailly Station 127-34111-00002 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:  <b>CERTIFICATE OF MAILING ONLY</b>	

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		John Ross NIPSCO - Bailly Station 801 E 86th Avenue Merrillville IN 46410 (Source CAATS) via confirmed delivery										
2		Anthony Sayers GM NIPSCO - Bailly Station 801 E 86th Avenue Merrillville IN 46410 (RO CAATS)										
3		Mr. Rudolph Nichols United Steelworkers of America Subdistrict 4 113 E. Washington St. Plymouth IN 46563 (Affected Party)										
4		Porter County Board of Commissioners 155 Indiana Ave, Ste 205 Valparaiso IN 46383 (Local Official)										
5		Porter County Health Department 155 Indiana Ave, Suite 104 Valparaiso IN 46383-5502 (Health Department)										
6		Shawn Sobocinski 3229 E. Atlanta Court Portage IN 46368 (Affected Party)										
7		Mr. Ed Dybel 2440 Schrage Avenue Whiting IN 46394 (Affected Party)										
8		Mr. Joseph Virgil 128 Kinsale Avenue Valparaiso IN 46385 (Affected Party)										
9		Mark Coleman 107 Diana Road Portage IN 46368 (Affected Party)										
10		Mr. Chris Hernandez Pipefitters Association, Local Union 597 8762 Louisiana St., Suite G Merrillville IN 46410 (Affected Party)										
11		Burns Harbor Town Council 1240 N. Boo Rd Burns Harbor IN 46304 (Local Official)										
12		Eric & Sharon Haussman 57 Shore Drive Ogden Dunes IN 46368 (Affected Party)										
13		Chesterton Town Council 726 Broadway Chesterton IN 46304 (Local Official)										
14		Dune Acres 1450 N Mineral Springs Road Chesterton IN 46304 (Local Official)										
15		Joseph Hero 11723 S Oakridge Drive St. John IN 46373 (Affected Party)										

Total number of pieces Listed by Sender	Total number of Pieces Received at Post Office	Postmaster, Per (Name of Receiving employee)	The full declaration of value is required on all domestic and international registered mail. The maximum indemnity payable for the reconstruction of nonnegotiable documents under Express Mail document reconstructing insurance is \$50,000 per piece subject to a limit of \$50, 000 per occurrence. The maximum indemnity payable on Express mil merchandise insurance is \$500. The maximum indemnity payable is \$25,000 for registered mail, sent with optional postal insurance. See <b>Domestic Mail Manual R900, S913, and S921</b> for limitations of coverage on inured and COD mail. See <b>International Mail Manual</b> for limitations o coverage on international mail. Special handling charges apply only to Standard Mail (A) and Standard Mail (B) parcels.
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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		Gurinder Saini RTP Environmental Associates, Inc. 304A West Millbrook Road Raleigh NC 27609 (Consultant)										
2		Matt Mikus 1710 Vale Park Rd Apt 302 Valparaiso IN 46383 (Affected Party)										
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10												
11												
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13												
14												
15												

Total number of pieces Listed by Sender	Total number of Pieces Received at Post Office	Postmaster, Per (Name of Receiving employee)	The full declaration of value is required on all domestic and international registered mail. The maximum indemnity payable for the reconstruction of nonnegotiable documents under Express Mail document reconstructing insurance is \$50,000 per piece subject to a limit of \$50, 000 per occurrence. The maximum indemnity payable on Express mil merchandise insurance is \$500. The maximum indemnity payable is \$25,000 for registered mail, sent with optional postal insurance. See <b>Domestic Mail Manual R900, S913, and S921</b> for limitations of coverage on inured and COD mail. See <b>International Mail Manual</b> for limitations o coverage on international mail. Special handling charges apply only to Standard Mail (A) and Standard Mail (B) parcels.
<b>2</b>			