



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

Date: February 11, 2015

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

Source Name: NIPSCO - Bailly Generating Station

Permit Level: Title V - Minor Permit Modification

Permit Number: 127 - 35192 - 00002

Source Location: 246 Bailly Station Road, Chesterton, IN

Type of Action Taken: Modification at an existing source

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 matter referenced above.

The final decision is available on the IDEM website at: <http://www.in.gov/apps/idem/caats/>
To view the document, select Search option 3, then enter permit 35192.

If you would like to request a paper copy of the permit document, please contact IDEM's central file room:

Indiana Government Center North, Room 1201
100 North Senate Avenue, MC 50-07
Indianapolis, IN 46204
Phone: 1-800-451-6027 (ext. 4-0965)
Fax (317) 232-8659

Pursuant to IC 13-17-3-4 and 326 IAC 2, this permit modification 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.

(continues on next page)

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) 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.

Pursuant to 326 IAC 2-7-18(d), any person may petition the U.S. EPA to object to the issuance of a Title V operating permit or modification within sixty (60) days of the end of the forty-five (45) day EPA review period. Such an objection must be based only on issues that were raised with reasonable specificity during the public comment period, unless the petitioner demonstrates that it was impracticable to raise such issues, or if the grounds for such objection arose after the comment period.

To petition the U.S. EPA to object to the issuance of a Title V operating permit, contact:

U.S. Environmental Protection Agency
401 M Street
Washington, D.C. 20406

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.



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Mr. John Ross
NIPSCO – Bailly Generating Station
801 East 86th Avenue
Merrillville, IN 46410

February 11, 2015

Re: 127-35192-00002
Minor Permit Modification to
Part 70 Renewal No.: T127-29738-00002

Dear Mr. Ross:

NIPSCO – Bailly Generating Station was issued a 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 requesting changes to this permit was received on November 26, 2014. Pursuant to the provisions of 326 IAC 2-7-12, a minor permit modification to this permit is hereby approved as described in the attached Technical Support Document.

Please find attached the entire Part 70 Operating Permit as modified. The permit references the below listed attachments. Since these attachments have been provided in previously issued approvals for this source, IDEM OAQ has not included a copy of these attachments with this modification:

- Attachment A:** Decree Paragraphs and Tables
- Attachment B:** NIPSCO- DC
- Attachment C:** 40 CFR 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines
- Attachment D:** 40 CFR 60, Subpart Y New Source Performance Standard (NSPS): Coal Preparation Plants
- Appendix C:** Acid Rain Permit
- Appendix A:** Site Map

Previously issued approvals for this source containing these attachments are available on the Internet at: <http://www.in.gov/ai/appfiles/idem-caats/>.

Federal rules under Title 40 of United States Code of Federal Regulations may also be found on the U.S. Government Printing Office's Electronic Code of Federal Regulations (eCFR) website, located on the Internet at: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40tab_02.tpl.

Previously issued approvals for this source containing these attachments are available on the Internet at: <http://www.in.gov/ai/appfiles/idem-caats/>.

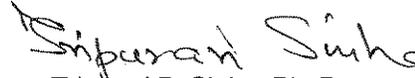
Federal rules under Title 40 of United States Code of Federal Regulations may also be found on the U.S. Government Printing Office's Electronic Code of Federal Regulations (eCFR) website, located on the Internet at: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title40/40tab_02.tpl.

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 Permit Guide on the Internet at: <http://www.in.gov/idem/5881.htm>; and the Citizens' Guide to IDEM on the Internet at: <http://www.in.gov/idem/6900.htm>.**

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 Josiah Balogun, of my staff, at 317-234-5257 or 1-800-451-6027, and ask for extension 4-5257.



Sincerely,



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

Attachment(s): Updated Permit, Technical Support Document and Appendix A

TS/JB

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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Part 70 Operating Permit Renewal
OFFICE OF AIR QUALITY

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

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

The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for enforcement action; permit termination, revocation and reissuance, or modification; or denial of a permit renewal application. Noncompliance with any provision of this permit, except any provision specifically designated as not federally enforceable, constitutes a violation of the Clean Air Act. It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.

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.

| | |
|---|--|
| Operation Permit No.: T127-29738-00002 | |
| Issued by: Original Signed Tripurari P. Sinha, Ph.D., Section Chief Permits Branch, Office of Air Quality | Issuance Date: September 6, 2012 Expiration Date: September 6, 2017 |

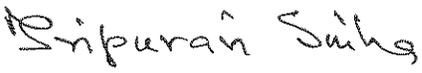
| | |
|--|---|
| Minor Permit Modification No.: 127-35192-00002 | |
| Issued by:  Tripurari P. Sinha, Ph. D., Section Chief, Permits Branch Office of Air Quality | Issuance Date: February 11, 2015 Expiration Date: September 6, 2017 |



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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)]

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)

- 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)]
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[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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[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)]

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 under Emission Offset 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)]

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_x) and for sulfur dioxide (SO₂) 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_x) and for sulfur dioxide (SO₂) 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).
- (l) One (1) natural gas-fired temporary package Auxiliary boiler, identified as AuxB3, permitted in 2014, with a nominal heat input capacity of 98 million Btu per hour, equipped with a flue gas recirculation (FGR) for NOx control and exhausting through stack StkAuxB3.

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

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, SO₂ 5 pounds per hour or 25 pounds per day, NO_x 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]

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]

- (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)]

- (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]

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)]

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)]

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)]

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)]

- (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)]

- (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)]

- (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)]

- (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]**

(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]

(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)]

- (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]

- (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 SO₂ or NO_x 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 SO₂ or NO_x 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]

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]

- (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]

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]

- (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

C.13 Reserved

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

- (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]

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]

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]

- (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 control system); or
 - (3) any necessary follow-up actions to return operation to normal or usual manner of operation.
- (c) A determination of whether the Permittee has used acceptable procedures in response to an excursion or exceedance will be based on information available, which may include, but is not limited to, the following:
- (1) monitoring results;
 - (2) review of operation and maintenance procedures and records; and/or
 - (3) inspection of the control device, associated capture system, and the process.
- (d) Failure to take reasonable response steps shall be considered a deviation from the permit.
- (e) The Permittee shall record the reasonable response steps taken.
- (II)
- (a) *CAM Response to excursions or exceedances.*
- (1) Upon detecting an excursion or exceedance, subject to CAM, the Permittee shall restore operation of the pollutant-specific emissions unit (including the 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 emissions. The response shall include minimizing the period of any startup, shutdown or malfunction and taking any necessary corrective actions to restore normal operation and prevent the likely recurrence of the cause of an excursion or exceedance (other than those caused by excused startup or shutdown conditions). Such actions may include initial inspection and evaluation, recording that operations returned to normal without operator action (such as through response by a computerized distribution control system), or any necessary follow-up actions to return operation to within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable.
 - (2) Determination of whether the Permittee has used acceptable procedures in response to an excursion or exceedance will be based on information available, which may include but is not limited to, monitoring results, review of operation and maintenance procedures and records, and inspection of the control device, associated capture system, and the process.
- (b) If the Permittee identifies a failure to achieve compliance with an emission limitation, subject to CAM, or standard, subject to CAM, for which the approved monitoring did not provide an indication of an excursion or exceedance while providing valid data, or the results of compliance or performance testing document a need to modify the existing indicator ranges or designated conditions, the Permittee shall promptly notify the IDEM, OAQ and, if necessary, submit a proposed significant permit modification to this permit to address the necessary monitoring changes. Such a modification may include, but is not limited to, reestablishing indicator ranges or designated conditions, modifying the frequency of conducting monitoring and collecting data, or the monitoring of additional parameters.

- (c) Based on the results of a determination made under paragraph (II)(a)(2) of this condition, the EPA or IDEM, OAQ may require the Permittee to develop and implement a QIP. The Permittee shall develop and implement a QIP if notified to in writing by the EPA or IDEM, OAQ.
- (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(o) and/or 326 IAC 2-3-1(j)) 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(d) 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(p) and/or 326 IAC 2-3-1(k)), the Permittee shall comply with following:
 - (1) Before beginning actual construction of the "project" (as defined in 326 IAC 2-2-1(o) and/or 326 IAC 2-3-1(j)) 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(p)(2)(A)(iii) and/or 326 IAC 2-3-1 (k)(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(o) and/or 326 IAC 2-3-1(j)) 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(d) 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(p) and/or 326 IAC 2-3-1(k)), 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]

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

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]

- (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_x) and for sulfur dioxide (SO₂) 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_x) and for sulfur dioxide (SO₂) 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, SO₂ 5 pounds per hour or 25 pounds per day, NO_x 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_x emissions shall not exceed 102 pounds per MMCF of natural gas.

Compliance with these limits will ensure that the potential to emit of NOx 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 (SO₂) [326 IAC 7-4-14]

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the sulfur dioxide (SO₂) 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 SO₂ 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]

- (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]

- (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]

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)]

- (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)]

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]

- (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, SO₂ after the scrubber, NO_x, and either CO₂ or O₂ 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 SO₂ 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 SO₂ emission rates shall be determined by using the continuous emission monitor data to calculate daily SO₂ 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 SO₂, 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)]

- (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 SO₂ Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

- (a) Whenever both the primary and back-up SO₂ 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 SO₂ 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 SO₂ 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 SO₂ 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 SO₂ 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

- (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 SO₂ 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 SO₂ 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 SO₂ CEM system downtime.
- (1) All SO₂ 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 SO₂ CEMS downtime, in accordance with Condition D.1.9(b).
 - (5) Actual fuel usage during each SO₂ 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

- (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 SO₂, the quarterly report for SO₂ 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_x emissions shall not exceed 280 lb/MMCF.

Compliance with the above limits shall limit the NO_x 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

- (a) To document compliance with Condition D.2.1(d), the Permittee shall maintain daily records of operation of the temporary auxiliary boiler.
- (b) 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.
- (c) 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

A quarterly summary of the information to document compliance with Condition D.2.1(d), 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]

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)]

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)]

- (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

- (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 EMISSIONS UNIT OPERATION CONDITIONS

Emissions Unit Description:

- (I) One (1) natural gas-fired temporary package Auxiliary boiler, identified as AuxB3, permitted in 2014, with a nominal heat input capacity of 98 million Btu per hour, equipped with a flue gas recirculation (FGR) for NOx control and exhausting through stack StkAuxB3.

(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.7.1 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-4]

Pursuant to 326 IAC 6-2-4 (Particulate Emission Limitations for Sources of Indirect Heating: Emission Limitations for facilities specified in 326 IAC 6-2-1(d)), the PM emissions from the temporary auxiliary boiler, identified as AuxB3 shall not exceed 0.12 pounds per million Btu heat input (pounds/MMBtu).

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_x) and for sulfur dioxide (SO₂) 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_x) and for sulfur dioxide (SO₂) 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]

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]

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 E.4 EMISSIONS UNIT OPERATION CONDITIONS

Emissions Unit Description:

- (I) One (1) natural gas-fired temporary package Auxiliary boiler, identified as AuxB3, permitted in 2014, with a nominal heat input capacity of 98 million Btu per hour, equipped with a flue gas recirculation (FGR) for NO_x control and exhausting through stack StkAuxB3.

(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] and National Emissions Standard for Hazardous Air Pollutants [40 CFR 63]

E.4.1 Standard of Performance for Small Industrial-Commercial-Institutional Steam Generating Units [40 CFR 60, Subpart Dc]

Pursuant to 40 CFR 60.40c(i) the natural gas-fired temporary package Auxiliary boiler, identified as AuxB3 shall comply with the following requirements:

- (1) The unit shall combust natural gas.
- (2) The unit shall be capable of being carried or moved.
- (3) It shall not be attached to a foundation.
- (4) It shall not operate at one location for more than 180 days.
- (5) It shall not be located at a seasonal facility.

E.4.2 National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters [40 CFR 63, Subpart DDDDD]

Pursuant to 40 CFR 63.7491(j), the natural gas-fired temporary package Auxiliary boiler, identified as AuxB3 shall comply with the following requirements:

- (1) The unit shall use natural gas to generate steam.
- (2) The unit shall be capable of being carried or moved.
- (3) It shall not be attached to a foundation.
- (4) It shall not remain at one location for more than 12 months.
- (5) It shall not be located at a seasonal facility.
- (6) The equipment shall not be relocated within the same facility while serving the same purpose.

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_x) and for sulfur dioxide (SO₂) 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_x) and for sulfur dioxide (SO₂) 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_x source, CAIR SO₂ source, and CAIR NO_x ozone season source and CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x ozone season unit shall operate each source and unit in compliance with this CAIR permit.

- (b) The CAIR NO_x units, CAIR SO₂ units, and CAIR NO_x 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)]

- (a) The owners and operators, and the CAIR designated representative, of each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x ozone season source and CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x 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_x source, CAIR SO₂ source, and CAIR NO_x ozone season source with the CAIR NO_x emissions limitation under 326 IAC 24-1-4(c), CAIR SO₂ emissions limitation under 326 IAC 24-2-4(c), and CAIR NO_x 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)]

- (a) As of the allowance transfer deadline for a control period, the owners and operators of each CAIR NO_x source and each CAIR NO_x unit at the source shall hold, in the source's compliance account, CAIR NO_x 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_x units at the source, as determined in accordance with 326 IAC 24-1-11.
- (b) A CAIR NO_x 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_x 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_x allowance was allocated.
- (d) CAIR NO_x allowances shall be held in, deducted from, or transferred into or among CAIR NO_x 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_x allowance is a limited authorization to emit one (1) ton of nitrogen oxides in accordance with the CAIR NO_x annual trading program. No provision of the CAIR NO_x 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_x 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_x allowance to or from a CAIR NO_x 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 SO₂ source and each CAIR SO₂ unit at the source shall hold, in the source's compliance account, a tonnage equivalent of CAIR SO₂ 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 SO₂ units at the source, as determined in accordance with 326 IAC 24-2-10.
- (b) A CAIR SO₂ 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 SO₂ 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 SO₂ allowance was allocated.
- (d) CAIR SO₂ allowances shall be held in, deducted from, or transferred into or among CAIR SO₂ 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 SO₂ allowance is a limited authorization to emit sulfur dioxide in accordance with the CAIR SO₂ trading program. No provision of the CAIR SO₂ 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 SO₂ 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 SO₂ allowance to or from a CAIR SO₂ 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_x ozone season source and each CAIR NO_x ozone season unit at the source shall hold, in the source's compliance account, CAIR NO_x 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_x ozone season units at the source, as determined in accordance with 326 IAC 24-3-11.
- (b) A CAIR NO_x 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_x 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_x ozone season allowance was allocated.
- (d) CAIR NO_x ozone season allowances shall be held in, deducted from, or transferred into or among CAIR NO_x 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_x ozone season allowance is a limited authorization to emit one (1) ton of nitrogen oxides in accordance with the CAIR NO_x ozone season trading program. No provision of the CAIR NO_x 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_x 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_x ozone season allowance to or from a CAIR NO_x 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)]

- (a) The owners and operators of a CAIR NO_x source and each CAIR NO_x unit that emits nitrogen oxides during any control period in excess of the CAIR NO_x emissions limitation shall do the following:
 - (1) Surrender the CAIR NO_x 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 SO₂ source and each CAIR SO₂ unit that emits sulfur dioxide during any control period in excess of the CAIR SO₂ emissions limitation shall do the following:
 - (1) Surrender the CAIR SO₂ 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_x ozone season source and each CAIR NO_x ozone season unit that emits nitrogen oxides during any control period in excess of the CAIR NO_x ozone season emissions limitation shall do the following:
 - (1) Surrender the CAIR NO_x 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)]

Unless otherwise provided, the owners and operators of the CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x ozone season source and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x 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_x unit, CAIR SO₂ unit, and CAIR NO_x 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_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x ozone season trading program.
- (d) Copies of all documents used to complete a CAIR permit application and any other submission under the CAIR NO_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x ozone season trading program or to demonstrate compliance with the requirements of the CAIR NO_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x 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)]

- (a) The CAIR designated representative of the CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x ozone season source and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x ozone season unit at the source shall submit the reports required under the CAIR NO_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x 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_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x 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)]

The owners and operators of each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x ozone season source and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x ozone season unit shall be liable as follows:

- (a) Each CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x ozone season source and each CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x ozone season unit shall meet the requirements of the CAIR NO_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x ozone season trading program, respectively.
- (b) Any provision of the CAIR NO_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x ozone season trading program that applies to a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x ozone season source or the CAIR designated representative of a CAIR NO_x source, CAIR SO₂ source, and CAIR NO_x ozone season source shall also apply to the owners and operators of such source and of the CAIR NO_x units, CAIR SO₂ units, and CAIR NO_x ozone season units at the source.
- (c) Any provision of the CAIR NO_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x ozone season trading program that applies to a CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x ozone season unit or the CAIR designated representative of a CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x 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)]

No provision of the CAIR NO_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x 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_x source, CAIR SO₂ source, and CAIR NO_x ozone season source or CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x 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]

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_x source, CAIR SO₂ source, and CAIR NO_x ozone season source, including all CAIR NO_x units, CAIR SO₂ units, and CAIR NO_x 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_x annual trading program, CAIR SO₂ trading program, and CAIR NO_x ozone season trading program concerning the source or any CAIR NO_x unit, CAIR SO₂ unit, and CAIR NO_x 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_x source, CAIR SO₂ source, and CAIR NO_x 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">• 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• 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. |
|--|

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 ₂ , VOC, NO _x , 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

| | |
|---|-------------------------------|
| <p>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".</p> | |
| <input type="checkbox"/> NO DEVIATIONS OCCURRED THIS REPORTING PERIOD. | |
| <input type="checkbox"/> THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD | |
| Permit Requirement (specify permit condition #) | |
| Date of Deviation: | Duration of Deviation: |
| Number of Deviations: | |
| Probable Cause of Deviation: | |
| Response Steps Taken: | |
| Permit Requirement (specify permit condition #) | |
| Date of Deviation: | Duration of Deviation: |
| Number of Deviations: | |
| Probable Cause of Deviation: | |
| Response Steps Taken: | |

| | |
|--|-------------------------------|
| Permit Requirement (specify permit condition #) | |
| Date of Deviation: | Duration of Deviation: |
| Number of Deviations: | |
| Probable Cause of Deviation: | |
| Response Steps Taken: | |
| Permit Requirement (specify permit condition #) | |
| Date of Deviation: | Duration of Deviation: |
| Number of Deviations: | |
| Probable Cause of Deviation: | |
| Response Steps Taken: | |
| Permit Requirement (specify permit condition #) | |
| Date of Deviation: | Duration of Deviation: |
| Number of Deviations: | |
| Probable Cause of Deviation: | |
| Response Steps Taken: | |

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_x EMISSION REDUCTIONS AND CONTROLS:

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

SO₂ 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]

**Indiana Department of Environmental Management
Office of Air Quality**

Technical Support Document (TSD) for a Part 70 Minor Source and Permit 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.: | 127-35178-00002 |
| Minor Permit Modification No.: | 127-35192-00002 |
| Permit Reviewer: | Josiah Balogun |

Existing Approvals

The source was issued Part 70 Operating Permit No. 127-29738-00002 on September 6, 2012. The source has since received the following approvals:

- (a) Minor Source Modification No. 127-34111-00002, issued on March 6, 2014; and
- (b) Administrative Amendment No. 127-34156-00002 issued on March 6, 2014.

County Attainment Status

The source is located in Porter County.

| Pollutant | Designation |
|-------------------|--|
| SO ₂ | 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 ₃ | 40 CFR 81.315 as amended by 77 FR 34228. ^{1,2} |
| PM _{2.5} | Attainment effective February 6, 2012, for the annual PM _{2.5} standard. |
| PM _{2.5} | Unclassifiable or attainment effective December 13, 2009, for the 24-hour PM _{2.5} standard. |
| PM ₁₀ | Unclassifiable effective November 15, 1990. |
| NO ₂ | Cannot be classified or better than national standards. |
| Pb | Unclassifiable or attainment effective December 31, 2011. |

¹Nonattainment 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.

²The 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_x) 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_x emissions are considered when evaluating the rule applicability relating to ozone. Therefore, VOC and NO_x emissions were evaluated pursuant to the requirements of Emission Offset, 326 IAC 2-3.

- (b) PM_{2.5}
Porter County has been classified as attainment for PM_{2.5}. Therefore, direct PM_{2.5}, SO₂, and NO_x 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 list the 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 - Existing Source

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:

| Pollutant | Emissions (ton/yr) |
|---------------------------|--------------------|
| PM | 12311 |
| PM ₁₀ | 2936 |
| PM _{2.5} | <2924 |
| SO ₂ | 76,192 |
| VOC | 123 |
| CO | 798 |
| NO _x | 32,537 |
| GHGs as CO ₂ e | 5,336,171 |
| Total HAPs | >25 |
| Single HAP | >10 |

On June 23, 2014, in the case of *Utility Air Regulatory Group v. EPA*, cause no. 12-1146, (available at http://www.supremecourt.gov/opinions/13pdf/12-1146_4g18.pdf) the United States Supreme Court ruled that the U.S. EPA does not have the authority to treat greenhouse gases (GHGs) as an air pollutant for the purpose of determining operating permit applicability or PSD Major source status. On July 24, 2014, the U.S. EPA issued a memorandum to the Regional Administrators outlining next steps in permitting decisions in light of the Supreme Court's decision. U.S. EPA's guidance states that U.S. EPA will no longer require PSD or Title V permits for sources "previously classified as 'Major' based solely on greenhouse gas emissions."

The Indiana Environmental Rules Board adopted the GHG regulations required by U.S. EPA at 326 IAC 2-2-1(zz), pursuant to Ind. Code § 13-14-9-8(h) (Section 8 rulemaking). A rule, or part of a rule, adopted under Section 8 is automatically invalidated when the corresponding federal rule, or part of the rule, is invalidated. Due to the United States Supreme Court Ruling, IDEM, OAQ cannot consider GHGs emissions to determine operating permit applicability or PSD applicability to a source or modification.

- (a) This existing source is a major stationary source, under PSD (326 IAC 2-2), because a PSD regulated pollutant, excluding GHGs, is emitted at a rate of 100 tons per year or more, and it is one of the twenty-eight (28) listed source categories, as specified in 326 IAC 2-2-1(ff)(1).
- (b) This existing source is a major stationary source, under Emission Offset (326 IAC 2-3), because VOC and NOx, nonattainment regulated pollutants, are emitted at a rate of 100 tons per year or more.
- (c) These emissions are based upon Minor Source Modification No. 127-34111-00002, issued on March 6, 2014.
- (d) This existing source is a major source of HAPs, as defined in 40 CFR 63.2, because HAP emissions are greater than ten (10) tons per year for a single HAP and greater than twenty-five (25) tons per year for 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 Generating Station on November 26, 2014, relating to a proposed project to install a 98 MMBtu/hour natural gas fired temporary package auxiliary boiler to provide heat to the facility. The purpose of the proposed change is to maintain building heat during winter months and will not affect the production rate or capacity or emission factor for any of the existing units. The following is a list of the proposed emission unit:

- (a) **One (1) natural gas-fired temporary package Auxiliary boiler, identified as AuxB3, permitted in 2014, with a nominal heat input capacity of 98 million Btu per hour, equipped with a flue gas recirculation (FGR) for NOx control and exhausting through stack StkAuxB3.**

History

NIPSCO Bailly Generating Station consists of two existing Electric Utility Steam Generating Units (EUSGU). The site is also equipped with two natural gas fired auxiliary boilers (each 99.9 MMBtu/hour) identified as Auxiliary Boiler 1 and 2. The auxiliary boilers supply steam for building space heat when both Unit 7 and Unit 8 are offline. Steam from the auxiliary units is not used to generate any electricity. Due to the deteriorated conditions of the auxiliary boilers (Auxiliary Boiler 1 was previously decommissioned and Auxiliary Boiler 2 will be decommissioned as a result of the boiler leaks), NIPSCO is planning to use a natural gas fired temporary package Auxiliary boiler with input capacity of 98 MMBtu per hour as a replacement to support the building steam system and to provide space heat during Unit 7 and Unit 8 outages.

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 Modification to an Existing Source

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. If the control equipment has been determined to be integral, the table reflects the PTE after consideration of the integral control device.

| Increase in PTE Before Controls of the Modification | |
|--|-----------------------------------|
| Pollutant | Potential To Emit (ton/yr) |
| PM | 0.8 |
| PM ₁₀ | 3.2 |
| PM _{2.5} | 3.2 |
| SO ₂ | 0.3 |
| VOC | 2.3 |
| CO | 35.3 |
| NO _x | 15.6 |
| Single HAPs | 0.76 |
| Total HAPs | 0.8 |

This source modification is subject to 326 IAC 2-7-10.5(e)(B) and (D) because the potential to emit nitrogen oxides (NO_x) is Less than twenty-five (25) tons per year and equal to or greater than ten (10) tons per year and the CO emissions is Less than one hundred (100) tons per year and equal to or greater than twenty-five (25) tons per year before control. Additionally, the modification will be incorporated into the Part 70 Operating Permit through a minor permit modification issued pursuant to 326 IAC 2-7-12(b), because this modification do not involve significant changes to existing monitoring, reporting, or record keeping requirements in the Part 70 permit.

Permit Level Determination – PSD or Emission Offset or Nonattainment NSR

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.

| Process / Emission Unit | Project Emissions (ton/yr) | | | | | | | | |
|------------------------------------|----------------------------|------------------|---------------------|-----------------|------|-----|------|--------------------------|--------|
| | PM | PM ₁₀ | PM _{2.5} * | SO ₂ | CO | VOC | NOx | GHGs | Pb |
| AUX B3 | 0.8 | 3.2 | 3.2 | 0.3 | 35.3 | 2.3 | 15.6 | 50,799 | 0.0002 |
| Total for Modification | 0.8 | 3.2 | 3.2 | 0.3 | 35.3 | 2.3 | 15.6 | 50,799 | 0.0002 |
| PSD Significant Levels | 25 | 15 | 10 | 40 | 100 | -- | 40 | 75,000 CO ₂ e | XX |
| Emission Offset Significant Levels | -- | -- | -- | -- | -- | 40 | 40 | -- | -- |

*PM_{2.5} listed is direct PM_{2.5}.

On June 23, 2014, in the case of *Utility Air Regulatory Group v. EPA*, cause no. 12-1146, (available at http://www.supremecourt.gov/opinions/13pdf/12-1146_4g18.pdf) the United States Supreme Court ruled that the U.S. EPA does not have the authority to treat greenhouse gases (GHGs) as an air pollutant for the purpose of determining operating permit applicability or PSD Major source status. On July 24, 2014, the U.S. EPA issued a memorandum to the Regional Administrators outlining next steps in permitting decisions in light of the Supreme Court’s decision. U.S. EPA’s guidance states that U.S. EPA will no longer require PSD or Title V permits for sources “previously classified as ‘Major’ based solely on greenhouse gas emissions.”

The Indiana Environmental Rules Board adopted the GHG regulations required by U.S. EPA at 326 IAC 2-2-1(zz), pursuant to Ind. Code § 13-14-9-8(h) (Section 8 rulemaking). A rule, or part of a rule, adopted under Section 8 is automatically invalidated when the corresponding federal rule, or part of the rule, is invalidated. Due to the United States Supreme Court Ruling, IDEM, OAQ cannot consider GHGs emissions to determine operating permit applicability or PSD applicability to a source or modification.

This modification to an existing major PSD stationary source is not major because:

- (a) The emissions increase of each PSD regulated pollutant, excluding GHGs, are less than the PSD significant thresholds; and
- (b) The emissions increase of GHGs from this modification to an existing major PSD source are less than seventy-five thousand (75,000) tons of CO₂ equivalent (CO₂e) emissions per year

Therefore, pursuant to 326 IAC 2-2, the PSD requirements do not apply.

- (c) This modification to an existing major Emission Offset stationary source is not major because the emissions increase of VOC and NOx are less than the Emission Offset significant levels.

Therefore, pursuant to 326 IAC 2-3, the Emission Offset requirements do not apply.

Federal Rule Applicability Determination

The following federal rules are applicable to the source due to this modification:

NSPS:

- (a) The requirements of Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units apply to each steam generating unit for which construction, modification, or reconstruction is commenced after June 9, 1989 and that has a maximum design heat input capacity of 100 MMBtu/hr or less, but greater than or equal to 10 MMBtu/hr. This subpart does apply to the proposed auxiliary boiler. However, the proposed auxiliary boiler will be a "temporary" installation, to be used during winter months, to provide steam for space heating. Therefore, pursuant to 40 CFR 60.40c(i) the requirements of 40 CFR 60, Subpart Dc are not applicable to the auxiliary boiler due to the following reasons noted below.
- (1) The unit will combust natural gas.
 - (2) The unit will be capable of being carried or moved.
 - (3) It will not be attached to a foundation.
 - (4) It will not operate at one location for more than 180 days.
 - (5) It will not be located at a seasonal facility.
- (b) There are no New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) applicable to this proposed modification.

NESHAP:

- (a) The requirements of the National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters, 40 CFR 63, Subpart DDDDD are not included in this permit. The requirements of this subpart apply to industrial, commercial or institutional boilers located at Major Sources of HAP emissions. The boiler will be a "temporary" installation, to be used during winter months, to provide steam for space heating. Therefore, pursuant to 40 CFR 63.7491(j), the requirements of 40 CFR 63, Subpart DDDDD are not applicable to the auxiliary boiler due to the following reasons noted below.
- (1) The unit will use natural gas to generate steam.
 - (2) The unit will be capable of being carried or moved.
 - (3) It will not be attached to a foundation.
 - (4) It will not remain at one location for more than 12 months.
 - (5) It will not be located at a seasonal facility.
 - (6) The equipment will not be relocated within the same facility while serving the same purpose.
- (b) There are no new National Emission Standards for Hazardous Air Pollutants (NESHAPs) (326 IAC 14, 326 IAC 20 and 40 CFR Part 63) applicable to this proposed modification.
- (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 new emission unit has the potential to emit of criteria pollutants (uncontrolled) less than the CAM major source thresholds of 100 tons per year. Based on this evaluation, the requirements of 40 CFR Part 64, CAM are not applicable to any of the new emission unit as part of this modification.

State Rule Applicability Determination

326 IAC 2-2 and 2-3 (PSD and Emission Offset)

PSD and Emission Offset applicability is discussed under the Permit Level Determination – PSD and Emission Offset section.

326 IAC 2-4.1 (Major Sources of Hazardous Air Pollutants (HAP))

The operation of auxiliary boiler, identified as AuxB3 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 2-7-6(5) (Annual Compliance Certification)

The U.S. EPA Federal Register 79 FR 54978 notice does not exempt Title V Permittees from the requirements of 40 CFR 70.6(c)(5)(iv) or 326 IAC 2-7-6(5)(D), but the submittal of the Title V annual compliance certification to IDEM satisfies the requirement to submit the Title V annual compliance certifications to EPA. IDEM does not intend to revise any permits since the requirements of 40 CFR 70.6(c)(5)(iv) or 326 IAC 2-7-6(5)(D) still apply, but Permittees can note on their Title V annual compliance certification that submission to IDEM has satisfied reporting to EPA per Federal Register 79 FR 54978. This only applies to Title V Permittees and Title V compliance certifications.

326 IAC 6-2-4 (Particulate Emission Limitations for Sources of Indirect Heating)

Pursuant to 326 IAC 6-2-4 (Particulate Emission Limitations for Sources of Indirect Heating: Emission Limitations for facilities specified in 326 IAC 6-2-1(d)), the PM emissions from the temporary auxiliary boiler, identified as AuxB3 shall not exceed 0.12 pounds per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

$$\begin{aligned} P_t &= \frac{1.09}{Q^{0.26}} \\ &= 0.12 \text{ lbs/MMBtu} \end{aligned}$$

Where:

Q = total source heat input capacity (MMBtu/hr).

For these units, $Q = 1638 + 3374 + 2.4 + 0.78 + 99.9 + 99.9 + 98 = 5312.98$ MMBtu/hr.

326 IAC 7-1.1 Sulfur Dioxide Emission Limitations

The temporary auxiliary boiler, identified as AuxB3 is not subject to the requirements of 326 IAC 7-1.1 because the boiler has the potential to emit SO₂ emissions less than 25 tons per year or ten (10) pounds per hour.

326 IAC 8-1-6 (New Facilities: General Reduction Requirements)

The auxiliary boiler, identified as AuxB3 is constructed after January 1, 1980. The auxiliary boiler, has potential VOC emission of less than 25 tons per year. Therefore, the requirements of 326 IAC 8-1-6 are not applicable to this emission unit.

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 and Monitoring Requirements included in this modification.

Proposed Changes

The changes listed below have been made to Part 70 Operating Permit No. 127-29738-00002. Deleted language appears as ~~strike throughs~~ and new language appears in **bold**:

Change 1: The natural gas-fired temporary package auxiliary boiler has been added to Section A.2, D.7 and E.4. New conditions have been added for the new temporary boiler in Section D.7 and E.4 of the permit accordingly.

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

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

- (I) **One (1) natural gas-fired temporary package Auxiliary boiler, identified as AuxB3, permitted in 2014, with a nominal heat input capacity of 98 million Btu per hour, equipped with a flue gas recirculation (FGR) for NOx control and exhausting through stack StkAuxB3.**

SECTION D.7 EMISSIONS UNIT OPERATION CONDITIONS

Emissions Unit Description:

- (I) **One (1) natural gas-fired temporary package Auxiliary boiler, identified as AuxB3, permitted in 2014, with a nominal heat input capacity of 98 million Btu per hour, equipped with a flue gas recirculation (FGR) for NOx control and exhausting through stack StkAuxB3.**

(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.7.1 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-4]

Pursuant to 326 IAC 6-2-4 (Particulate Emission Limitations for Sources of Indirect Heating: Emission Limitations for facilities specified in 326 IAC 6-2-1(d)), the PM

emissions from the temporary auxiliary boiler, identified as AuxB3 shall not exceed 0.12 pounds per million Btu heat input (lb/MMBtu).

SECTION E.4 EMISSIONS UNIT OPERATION CONDITIONS

Emissions Unit Description:

- (I) **One (1) natural gas-fired temporary package Auxiliary boiler, identified as AuxB3, permitted in 2014, with a nominal heat input capacity of 98 million Btu per hour, equipped with a flue gas recirculation (FGR) for NOx control and exhausting through stack StkAuxB3.**

(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] and National Emissions Standard for Hazardous Air Pollutants [40 CFR 63]

E.4.1 Standard of Performance for Small Industrial-Commercial-Institutional Steam Generating Units [40 CFR 60, Subpart Dc]

Pursuant to 40 CFR 60.40c(i) the natural gas-fired temporary package Auxiliary boiler, identified as AuxB3 shall comply with the following requirements:

- (1) The unit shall combust natural gas.
- (2) The unit shall be capable of being carried or moved.
- (3) It shall not be attached to a foundation.
- (4) It shall not operate at one location for more than 180 days.
- (5) It shall not be located at a seasonal facility.

E.4.2 National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters [40 CFR 63, Subpart DDDDD]

Pursuant to 40 CFR 63.7491(j), the natural gas-fired temporary package Auxiliary boiler, identified as AuxB3 shall comply with the following requirements:

- (1) The unit shall use natural gas to generate steam.
- (2) The unit shall be capable of being carried or moved.
- (3) It shall not be attached to a foundation.
- (4) It shall not remain at one location for more than 12 months.
- (5) It shall not be located at a seasonal facility.
- (6) The equipment shall not be relocated within the same facility while serving the same purpose.

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. 127-35178-00002 and Minor Permit Modification No. 127-35192-00002. The staff recommends to the Commissioner that this Part 70 Minor Source and Minor Permit Modification be approved.

IDEM Contact

- (a) Questions regarding this proposed permit can be directed to Josiah Balogun 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) 234-5257 or toll free at 1-800-451-6027 extension 4-5257.

- (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 Permit Guide on the Internet at: <http://www.in.gov/idem/5881.htm>; and the Citizens' Guide to IDEM on the Internet at: <http://www.in.gov/idem/6900.htm>.

Appendix A: Emissions Calculations

Emission Summary

Source Name: NIPSCO Bailly Generating Station

Source Location: 246 Bailly Station Road, Chesterton, IN 46304

Permit Number: 127-35192-00002

Permit Reviewer: Josiah Balogun

Date: 8-Dec-2014

Uncontrolled Potential to Emit

| | PM (tons/yr) | PM₁₀ (tons/yr) | PM_{2.5} (tons/yr) | SO₂ (tons/yr) | VOC (tons/yr) | CO (tons/yr) | NOx (tons/yr) | GHGs as CO₂e (tons/yr) | HAPs (tons/yr) |
|--|-------------------------|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------|-------------------------|--------------------------|--|---------------------------|
| Emission Unit | | | | | | | | | |
| Temporary Package Auxillary Boiler Aux B3 | 0.80 | 3.20 | 3.20 | 0.30 | 2.30 | 35.30 | 15.60 | 50799.00 | 0.80 |
| Total Emissions | 0.80 | 3.20 | 3.20 | 0.30 | 2.30 | 35.30 | 15.60 | 50799.00 | 0.80 |

Limited Potential to Emit

| | PM (tons/yr) | PM₁₀ (tons/yr) | PM_{2.5} (tons/yr) | SO₂ (tons/yr) | VOC (tons/yr) | CO (tons/yr) | NOx (tons/yr) | GHGs as CO₂e (tons/yr) | HAPs (tons/yr) |
|--|-------------------------|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------|-------------------------|--------------------------|--|---------------------------|
| Emission Unit | | | | | | | | | |
| Temporary Package Auxillary Boiler Aux B3 | 0.80 | 3.20 | 3.20 | 0.30 | 2.30 | 35.30 | 15.60 | 50799.00 | 0.80 |
| Total Emissions | 0.80 | 3.20 | 3.20 | 0.30 | 2.30 | 35.30 | 15.60 | 50799.00 | 0.80 |

**Appendix A: Emissions Calculations
Natural Gas Combustion Only**

MM BTU/HR <100
Company Name: NIPSCO Bailly Generating Station
Address City IN Zip: 246 Bailly Station Road, Chesterton, IN 46304
Permit Number: 127-35192-00002
Reviewer: Josiah Balogun
Date: 8-Dec-14

| | | |
|---------------------------------|--|---------------------------------|
| Heat Input Capacity MMBtu/hr | HHV $\frac{\text{mmBtu}}{\text{mmscf}}$ | Potential Throughput MMCF/yr |
| 98.0 | 1020 | 841.6 |

| Emission Factor in lb/MMCF | Pollutant | | | | | | |
|-------------------------------|-----------|-------|---------------|-----|-------------|-----|------|
| | PM* | PM10* | direct PM2.5* | SO2 | NOx | VOC | CO |
| | 1.9 | 7.6 | 7.6 | 0.6 | 37.12 | 5.5 | 84 |
| | | | | | **see below | | |
| Potential Emission in tons/yr | 0.8 | 3.2 | 3.2 | 0.3 | 15.6 | 2.3 | 35.3 |

*PM emission factor is filterable PM only. PM10 emission factor is filterable and condensable PM10 combined.
 PM2.5 emission factor is filterable and condensable PM2.5 combined.
 **Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 37.12

Methodology

All emission factors are based on normal firing.
 MMBtu = 1,000,000 Btu
 MMCF = 1,000,000 Cubic Feet of Gas
 Emission Factors are from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, 1.4-3, SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03
 Potential Throughput (MMCF) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,020 MMBtu
 Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton

HAPS Calculations

| Emission Factor in lb/MMcf | HAPs - Organics | | | | | Total - Organics |
|-------------------------------|-----------------|-----------------|--------------|-----------|-----------|------------------|
| | Benzene | Dichlorobenzene | Formaldehyde | Hexane | Toluene | |
| | 2.1E-03 | 1.2E-03 | 7.5E-02 | 1.8E+00 | 3.4E-03 | |
| Potential Emission in tons/yr | 8.837E-04 | 5.050E-04 | 3.156E-02 | 7.575E-01 | 1.431E-03 | 7.919E-01 |

| Emission Factor in lb/MMcf | HAPs - Metals | | | | | Total - Metals |
|-------------------------------|---------------|-----------|-----------|-----------|-----------|-------------------|
| | Lead | Cadmium | Chromium | Manganese | Nickel | |
| | 5.0E-04 | 1.1E-03 | 1.4E-03 | 3.8E-04 | 2.1E-03 | |
| Potential Emission in tons/yr | 2.104E-04 | 4.629E-04 | 5.892E-04 | 1.599E-04 | 8.837E-04 | 2.306E-03 |
| | | | | | | Total HAPs |
| | | | | | | 7.942E-01 |
| | | | | | | Worst HAP |
| | | | | | | 7.575E-01 |

Methodology is the same as above.

The five highest organic and metal HAPs emission factors are provided above.
 Additional HAPs emission factors are available in AP-42, Chapter 1.4.

Greenhouse Gas Calculations

| Emission Factor in lb/MMcf | Greenhouse Gas | | |
|---------------------------------------|----------------|-----|-----|
| | CO2 | CH4 | N2O |
| | 120,000 | 2.3 | 2.2 |
| Potential Emission in tons/yr | 50,499 | 1.0 | 0.9 |
| Summed Potential Emissions in tons/yr | 50,501 | | |
| CO2e Total in tons/yr | 50,799 | | |

Methodology

The N2O Emission Factor for uncontrolled is 2.2. The N2O Emission Factor for low Nox burner is 0.64.
 Emission Factors are from AP 42, Table 1.4-2 SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03.
 Global Warming Potentials (GWP) from Table A-1 of 40 CFR Part 98 Subpart A.
 Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton
 CO2e (tons/yr) = CO2 Potential Emission ton/yr x CO2 GWP (1) + CH4 Potential Emission ton/yr x CH4 GWP (25) + N2O Potential Emission ton/yr x N2O GWP (298).



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

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

TO: John Ross
NIPSCO - Bailly Generating Station
801 E 86th Avenue
Merrillville, IN 46410

DATE: February 11, 2015

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

SUBJECT: Final Decision
Title V - Minor Permit Modification
127 - 35192 - 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, GM
Gurinder Saini RTP Environmental Associates
OAQ Permits Branch Interested Parties List

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

Final Applicant Cover letter.dot 6/13/2013



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Michael R. Pence
Governor

Thomas W. Easterly
Commissioner

February 11, 2015

TO: Westchester Public Library

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

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

Applicant Name: NIPSCO - Bailly Generating Station
Permit Number: 127 - 35192 - 00002

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

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

Enclosures
Final Library.dot 6/13/2013

Mail Code 61-53

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|----------------------------|---|---|--|--|
| IDEM Staff | LPOGOST 2/11/2015 NIPSCO - Bailly Station 127 - 35250 - 00002 draft & 127 - 35192 - 00002 final) | | AFFIX STAMP HERE IF USED AS CERTIFICATE OF MAILING | |
| Name and address of Sender |  | Indiana Department of Environmental Management Office of Air Quality – Permits Branch 100 N. Senate Indianapolis, IN 46204 | Type of Mail: CERTIFICATE OF MAILING ONLY | |

| Line | Article Number | Name, Address, Street and Post Office Address | Postage | Handing Charges | Act. Value (If Registered) | Insured Value | Due Send if COD | R.R. Fee | S.D. Fee | S.H. Fee | Rest. Del. Fee | Remarks |
|------|----------------|---|---------|-----------------|----------------------------|---------------|-----------------|----------|----------|----------|----------------|---------|
| 1 | | John Ross NIPSCO - Bailly Station 801 E 86th Avenue Merrillville IN 46410 (Source CAATS) Via USPS certified mail | | | | | | | | | | |
| 2 | | Anthony Sayers GM NIPSCO - Bailly Station 801 E 86th Avenue Merrillville IN 46410 (RO CAATS) | | | | | | | | | | |
| 3 | | Westchester Public Library 200 W Indiana Ave Chesterton IN 46304-3122 (Library) | | | | | | | | | | |
| 4 | | Mr. Rudolph Nichols United Steelworkers of America Subdistrict 4 113 E. Washington St. Plymouth IN 46563 (Affected Party) | | | | | | | | | | |
| 5 | | Porter County Board of Commissioners 155 Indiana Ave, Ste 205 Valparaiso IN 46383 (Local Official) | | | | | | | | | | |
| 6 | | Porter County Health Department 155 Indiana Ave, Suite 104 Valparaiso IN 46383-5502 (Health Department) | | | | | | | | | | |
| 7 | | Shawn Sobocinski 5950 Old Porter Rd Aprt 306 Portage IN 46368-1558 (Affected Party) | | | | | | | | | | |
| 8 | | Mr. Ed Dybel 2440 Schrage Avenue Whiting IN 46394 (Affected Party) | | | | | | | | | | |
| 9 | | Mr. Joseph Virgil 128 Kinsale Avenue Valparaiso IN 46385 (Affected Party) | | | | | | | | | | |
| 10 | | Mark Coleman 8 Turret Rd. Portage IN 46368-1072 (Affected Party) | | | | | | | | | | |
| 11 | | Mr. Chris Hernandez Pipefitters Association, Local Union 597 45 N Ogden Ave Chicago IL 60607 (Affected Party) | | | | | | | | | | |
| 12 | | Burns Harbor Town Council 1240 N. Boo Rd Burns Harbor IN 46304 (Local Official) | | | | | | | | | | |
| 13 | | Eric & Sharon Haussman 57 Shore Drive Ogden Dunes IN 46368 (Affected Party) | | | | | | | | | | |
| 14 | | Chesterton Town Council 726 Broadway Chesterton IN 46304 (Local Official) | | | | | | | | | | |
| 15 | | Dune Acres 1450 N Mineral Springs Road Chesterton IN 46304 (Local Official) | | | | | | | | | | |

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| 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 Domestic Mail Manual R900, S913, and S921 for limitations of coverage on inured and COD mail. See International Mail Manual for limitations o coverage on international mail. Special handling charges apply only to Standard Mail (A) and Standard Mail (B) parcels. |
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Mail Code 61-53

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| IDEM Staff | LPOGOST 2/11/2015 NIPSCO - Bailly Station 35250 (draft/final) | | Type of Mail: CERTIFICATE OF MAILING ONLY | 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 | | |

| 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 | | Joseph 11723 S Oakridge Drive St. John IN 46373 (Affected Party) | | | | | | | | | |
| 2 | | Gurinder Saini RTP Environmental Associates, Inc. 304A West Millbrook Road Raleigh NC 27609 (Consultant) | | | | | | | | | |
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