INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
We make Indiana a cleaner, healthier place to live.

Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

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

TO: Interested Parties / Applicant

DATE: October 4, 2006

RE: IPL-Petersburg / 125-6565-00002

FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval – Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3-7 and IC 13-15-6-1(b) or IC 13-15-6-1(a) require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204.

For an **initial Title V Operating Permit**, a petition for administrative review must be submitted to the Office of Environmental Adjudication within **thirty (30)** days from the receipt of this notice provided under IC 13-15-5-3, pursuant to IC 13-15-6-1(b).

For a **Title V Operating Permit renewal**, a petition for administrative review must be submitted to the Office of Environmental Adjudication within **fifteen (15)** days from the receipt of this notice provided under IC 13-15-5-3, pursuant to IC 13-15-6-1(a).

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:

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(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 an initial Title V operating permit, permit renewal, 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 impractible 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.

Enclosures
FNTVOP.dot 03/23/06

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Indianapolis, Indiana 46204-2251
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PART 70 OPERATING PERMIT
OFFICE OF AIR QUALITY

Indianapolis Power & Light Company - Petersburg Generating Station
State Road 57
Petersburg, Indiana 47567

(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. This permit also addresses certain new source review requirements for existing equipment and is intended to fulfill the new source review procedures pursuant to 326 IAC 2-2 and 326 IAC 2-7-10.5, applicable to those conditions.

Operation Permit No.: T125-6565-00002	
Original signed by: Nisha Sizemore, Chief Permits Branch Office of Air Quality	Issuance Date: October 4, 2006 Expiration Date: October 4, 2011

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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(15)] [326 IAC 2-7-1(22)]

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

Responsible Official:	Plant Manager
Source Address:	6925 N. State Road 57, Petersburg, Indiana 47567
Mailing Address:	P.O. Box 436, Petersburg, Indiana 46567
Source Telephone:	(812) 354-8801
SIC Code:	4911
County Location:	Pike
Source Location Status:	Non-attainment for PM 2.5 Attainment for all other criteria pollutants
Source Status:	Part 70 Permit Program Major Source, under PSD and Nonattainment NSR Rules; Major Source, Section 112 of the Clean Air Act 1 of 28 Source Categories (Fossil Fuel-Fired Steam Electric Plant of more than 250 MMBtu/hr heat input)

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

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

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour. Unit 1 uses an electrostatic precipitator and FGD scrubber (installed in 1996) as control, and low NO_X burner (installed in 1995) for NO_X reduction, and exhausts to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour. Unit 2 uses an electrostatic precipitator, FGD scrubber (installed in 1996), and selective catalytic reduction (installed in 2004) as control, and low NO_X burner for NO_X reduction, and exhausts to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour. Unit 3 uses an electrostatic precipitator, selective catalytic reduction (installed in 2004) and an FGD scrubber as control, and exhausts to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, on which construction began in 1978 and which began operation in 1986, with a design capacity of 5550 MMBtu per hour. Unit 4 uses an electrostatic precipitator and FGD scrubber as control, and low NO_X burner (installed in 2001) for NO_X reduction, and exhausts to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(e) One (1) emergency diesel internal combustion engine/generator, identified as PB-2, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB2-1.

(f) One (1) emergency diesel internal combustion engine/generator, identified as PB-3, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB3-1.

(g) One (1) emergency diesel internal combustion engine/generator, identified as PB-4, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB4-1.

(h) Coal handling facility, identified as PB-45 ASystem A@, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of the following operations:

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Free fall from overhead conveyor to outside pile.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads.

(i) Coal and limestone handling facility, identified as PB-48 “System B,” constructed in 1973, with a maximum throughput of 901.8 tons per hour, consisting of the following operations:

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, front end loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Limestone wet ball mill.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads.

(j) Limestone handling facility, identified as PB-65, constructed in 1993, with a maximum throughput of 102.7 tons per hour, consisting of the following operations:

(1) Truck unloading.

(2) Move bulk materials - haul trucks, dozers, front end loaders, other heavy mobile equipment, etc.

(3) Outside storage pile.

(4) Reclaiming and loading.

(5) Transfer - hoppers, feeders, conveyors, silos, etc.

(6) Enclosures at drop points.

(7) Baghouses on the silos.

(8) Limestone wet ball mill.

(9) Truck hauling on paved and unpaved roads.

(k) FGD sludge (gypsum) handling facility, identified as PB-67, constructed in 1993, with a maximum throughput of 250.2 tons per hour, consisting of the following operations:

(1) Wet handling to dewatering process.

(2) Transfer - hoppers, feeders, conveyors, etc.

(3) Enclosures at drop points.

(4) Free fall from overhead conveyors to inside piles.

(5) Inside and outside storage piles.

(6) Loading.

(7) Move bulk materials - haul trucks, front end loader, other heavy mobile equipment, etc.

(8) Truck hauling on paved and unpaved roads.

(l) Ash and FGD sludge (filter cake) handling facility, identified as PB-51, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:

Operations constructed in 1963:

(1) Wet process ash handling from Units 1 and 2 ash pond.

Operations constructed in 1973 for Unit 3:

(2) Move bulk materials - haul trucks, front end loader, bulldozer, excavating, dredging, other heavy mobile equipment, etc.

(3) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(4) Enclosures at drop points.

(5) Conveying dry fly ash to silos with baghouse B-10.

(6) Wet process ash handling from Unit 3 to ash pond and/or dewatering bins.

(7) Free fall from overhead conveyor to outside pile.

(8) Outside storage pile.

(9) Landfill disposal facilities for Coal Combustion Products.

(10) Truck and tanker loading.

(11) Truck unloading.

(12) Truck hauling on paved and unpaved roads.

Operations constructed in 1973 and modified for Unit 4:

(13) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(14) Enclosures at drop points.

(15) Conveying dry fly ash to silos with baghouse.

(16) Wet process ash handling from Unit 4 to ash pond and/or dewatering bins.

(m) One (1) fly ash railcar loading operation, identified as BH-N, constructed in 2005, with a maximum throughput rate of 37.5 tons of fly ash per hour, controlled by a baghouse, and exhausting through stack 101.

(n) One (1) fly ash railcar loading operation from Ash Silo 3, constructed in 2005, with a maximum throughput rate of 200 tons of fly ash per hour, with an enclosed drop from Silo 3 to an air-fluidized enclosed loadout slide from the silo and a gasket drop to enclosed railroad cars, controlled by baghouse B-11, and exhausting through stack 11.

A.3 Specifically Regulated Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

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

(a) The following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment cutting torches, soldering equipment, welding equipment. [326 IAC 6-3-2]

(b) Structural steel and bridge fabrication activities: cutting 20000 linear feet or less of one inch (1") plate or equivalent, using 80 tons or less of welding consumables. [326 IAC 6-3-2]

(c) Coal bunker and coal scale exhausts and associated dust collector vents. [326 IAC 6-3-2]

(d) 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 6-3-2]

(e) Vents from ash transport systems not operated at positive pressure. [326 IAC 6-3-2]

(f) Paved and unpaved roads and parking lots with public access. [326 IAC 6-4] [326 IAC 6-5]

(g) Activities with emissions equal to or less than the following thresholds: 5 lb/hr or 25 lb/day PM; 5 lb/hr or 25 lb/day SO2; 5 lb/hr or 25 lb/day NO_X; 3 lb/hr or 15 lb/day VOC; 0.6 tons per year Pb; 1.0 ton/yr of a single HAP, or 2.5 ton/yr of any combination of HAPs:

(1) Coal Pile Wind Erosion [326 IAC 6-4] [326 IAC 6-5];

(2) Fly ash/FGD Sludge Landfill Drop Points [326 IAC 6-4] [326 IAC 6-5]; and

(3) Fly ash/FGD Sludge Landfill Wind Erosion [326 IAC 6-4] [326 IAC 6-5].

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); and

(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]

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.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 15-13-6(a)]

(a) This permit, T125-6565-00002, 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]

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. The submittal by the Permittee does require the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34). 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) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by a responsible official of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

(b) One (1) certification shall be included, using the attached Certification Form, 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(34).

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. The initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year. All subsequent certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in letter form no later than July 1 of each year to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue
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; and

(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).

The submittal by the Permittee does require the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

B.10 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)] [326 IAC 1-6-3]

(a) The Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, for the source as described in 326 IAC 1-6-3. At a minimum, the PMP shall include:

(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.

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 Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

The PMP extension notification does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

(b) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, 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 or potential to emit. The PMPs do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

(c) 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 and the Southwest 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 Section), or
Telephone Number: 317-233-0178 (ask for Compliance Section)
Facsimile Number: 317-233-6885

Southwest Regional Office
Telephone Number: 812-380-2305

Facsimile Number: 812-380-2307

(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 Branch, Office of Air Quality
100 North Senate Avenue
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 the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(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)(9) 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.

(h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

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 this permit's issuance;

(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 T125-6565-00002 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 Deviations from Permit Requirements and Conditions [326 IAC 2-7-5(3)(C)(ii)]

(a) Deviations from any permit requirements (for emergencies see Section B - Emergency Provisions), the probable cause of such deviations, and any response steps or preventive measures taken shall be reported to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. 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.

The Quarterly Deviation and Compliance Monitoring Report does require the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit.

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 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 the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(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 the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
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 a reasonable deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application. [326 IAC 2-7-4(a)(2)(D) and (E)]

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

(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. Pursuant to 326 IAC 1-2-42, AModification@ means one (1) or more of the following activities at an existing source:

(1) A physical change or change in the method of operation of any existing emissions unit that increases the potential to emit any regulated pollutant that could be emitted from the emissions unit, or that results in emissions of any regulated pollutant not previously emitted.

(2) Construction of one (1) or more new emissions units that have the potential to emit regulated air pollutants.

(3) Reconstruction of one (1) or more existing emission units that increases the potential to emit of any regulated air pollutant.

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

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

Any such application shall be certified by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(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.

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 wherever the Permittee seeks to amend or modify this permit.

(b) 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.

(c) Pursuant to 326 IAC 2-7-11(b) and 326 IAC 2-7-12(a), administrative Part 70 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]

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

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

Any such application shall be certified by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(e) 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 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), (c), or (e), 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
Permits Branch, Office of Air Quality
100 North Senate Avenue
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), (c), or (e). 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), (c)(1), and (e)(2).

(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 the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

(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).

(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 does not apply to emission trades of SO_2 or NOx under 326 IAC 21 or 326 IAC 10-4.

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

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
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

The application which shall be submitted by the Permittee does require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

(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 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 5-1-3 (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. 326 IAC 4-1-3 (a)(2)(A) and (B) are not federally enforceable.

C.4 Incineration [326 IAC 4-2] [326 IAC 9-1-2]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and 326 IAC 9-1-2.

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 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted in April 2004. The plan is included as Appendix D to the permit.

C.7 Motor Vehicle Fugitive Dust Sources [326 IAC 6-4-4]

Pursuant to 326 IAC 6-4-4, no vehicle shall be driven or moved on any public street, road, alley, highway, or other thoroughfare, unless such vehicle is so constructed as to prevent its contents from dripping, sifting, leaking, or otherwise escaping therefrom so as to create conditions which result in fugitive dust. This section applies only to the cargo any vehicle may be conveying and mud tracked by the vehicle.

C.8 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.9 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.10 Performance Testing [326 IAC 3-6]

(a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
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 certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

(b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

(c) Pursuant to 326 IAC 3-6-4(b), all 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.11 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.12 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, 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 Branch, Office of Air Quality
100 North Senate Avenue
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 the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units or emission units added through a source modification shall be implemented when operation begins.

C.13 Maintenance of Continuous Opacity Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

(a) The Permittee shall install, 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 an independent contractor, to self-monitor the emissions from the emission unit stack.

(1) 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) Method 9 opacity readings shall be repeated for a minimum of five (5) consecutive six (6) minute averaging periods at least twice per day during daylight operations, with at least four (4) hours between each set of readings, until 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.

(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 and 40 CFR 60.

C.14 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]

Any monitoring or testing required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60 Appendix A, 40 CFR 60 Appendix B, 40 CFR 63, or other approved methods as specified in this permit.

C.15 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.

(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.16 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 prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures in May 2002.

(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.17 Risk Management Plan [326 IAC 2-7-5(12)] [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.18 Response to Excursions or Exceedances [326 IAC 2-7-5] [326 IAC 2-7-6]

(a) Upon detecting an excursion or exceedance, the Permittee shall restore operation of the emissions unit(s) (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 emissions.

(b) 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). Corrective actions may include, but are not limited to, the following:

(1) initial inspection and evaluation;

(2) recording that operations returned 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 within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable.

(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

(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 maintain the following records:

(1) monitoring data;

(2) monitor performance data, if applicable; and

(3) corrective actions taken.

C.19 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 take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.

(b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) 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 the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

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

C.20 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]

(a) 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 purpose of 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
Indianapolis, Indiana 46204-2251

The emission statement does require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

(b) The emission statement 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.21 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. 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, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

(c) If there is a reasonable possibility that a "project" (as defined in 326 IAC 2-2-1 (qq) and/or 326 IAC 2-3-1 (ll)) at an existing emissions unit, other than projects at a Clean Unit (or at a source with Plant-wide Applicability Limitation (PAL)), which is not part of a "major modification" (as defined in 326 IAC 2-2-1 (ee) and/or 326 IAC 2-3-1 (z)) may result in significant emissions increase and the Permittee elects to utilize the "projected actual emissions" (as defined in 326 IAC 2-2-1 (rr) and/or 326 IAC 2-3-1 (mm)), the Permittee shall comply with following:

(1) Before beginning actual construction of the "project" (as defined in 326 IAC 2-2-1 (qq) and/or 326 IAC 2-3-1 (ll)) 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(rr)(2)(A)(iii) and/or 326 IAC 2-3-1(mm)(2)(A)(iii); and

(iv) An explanation for why the amount was excluded, and any netting calculations, if applicable.

(2) 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 (1)(B) above; and

(3) 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.22 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11] [326 IAC 2-2] [326 IAC 2-3]

(a) The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
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) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(e) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period. Reporting periods are based on calendar years, unless otherwise specified in this permit. For the purpose of this permit, Acalendar year@ means the twelve (12) month period from January 1 to December 31 inclusive.

(f) If the Permittee is required to comply with the recordkeeping provisions of (c) 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 (ll)) at an existing Electric Utility Steam Generating Unit, then for that project the Permittee shall:

(1) Submit to IDEM, OAQ a copy of the information required by (c)(1) in Section C- General Record Keeping Requirements

(2) Submit a report to IDEM, OAQ within sixty (60) days after the end of each year during which records are generated in accordance with (c)(2) and (3) in Section C- General Record Keeping Requirements. The report shall contain all information and data describing the annual emissions for the emissions units during the calendar year that preceded the submission of report.

Reports required in this part shall be submitted to:

Indiana Department of Environmental Management
Air Compliance Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

(g) If the Permittee is required to comply with the recordkeeping provisions of (c) 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 (ll)) at an existing emissions unit other than Electric Utility Steam Generating Unit, and the project meets the following criteria, then the Permittee shall submit a report 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 (xx) and/or 326 IAC 2-3-1 (qq), 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).

(h) The report for project at an existing emissions unit other than Electric Utility Steam Generating Unit shall be submitted within 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 (c)(2) and (3) 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 deems fit to include in this report,

Reports required in this part shall be submitted to:

Indiana Department of Environmental Management
Air Compliance Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

(i) 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.23 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 the standards for recycling and emissions reduction:

(a) Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.

(b) Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.

(c) Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

(d) Pursuant to 40 CFR 82, Subpart E (The Labeling of Products Using Ozone-Depleting Substances), all containers in which a Class I or Class II substance is stored or transported and all products containing a Class I substance shall be labeled as required under 40 CFR Part 82.

Ambient Monitoring Requirements [326 IAC 7-3]

C.24 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 this rule, 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 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Boilers 1 and 2

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour. Unit 1 uses an electrostatic precipitator and FGD scrubber (installed in 1996) as control, and low NO_X burner (installed in 1995) for NO_X reduction, and exhausts to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour. Unit 2 uses an electrostatic precipitator, FGD scrubber (installed in 1996), and selective catalytic reduction (installed in 2004) as control, and low NO_X burner for NO_X reduction, and exhausts to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

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

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

D.1.1 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

(a) Pursuant to 326 IAC 6-2-3(d), particulate emissions from Unit 1 shall not exceed 0.8 pounds per MMBtu when exhausting to either the main stack or the bypass stack.

(b) Pursuant to 326 IAC 6-2-3, the particulate matter emissions from Unit 2 shall not exceed 0.46 lb per MMBtu when exhausting to the main stack and 0.44 lb per MMBtu when exhausting to the bypass stack. The pound per million Btu limits were calculated using the following equation:

$$Pt = \frac{C \times a \times h}{76.5 \times Q^{0.75} \times N^{0.25}}$$

where C = 50 u/m3
Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)
Q = total source maximum operating capacity rating (Q = 6344 MMBtu/hr)
N = number of stacks (N = 1)
a = plume rise factor (a = 0.8)
h = stack height (h = 621 ft; h of bypass stack = 604.5 ft)

D.1.2 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 Units 1 and 2:

(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 total of four (4) hours (forty (40) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature entering the ESP reaches two hundred and fifty (250) degrees Fahrenheit at the inlet of the electrostatic precipitator, whichever occurs first.

For Unit 1, compliance with the opacity limit is determined by adding the Unit 1 Scrubbed and Unit 1 Bypass stacks' opacity exceedances during the startup period. For Unit 2, compliance with the opacity limit is determined by adding the

Unit 2 Scrubbed and Unit 2 Bypass stacks' opacity exceedances during the startup period.

(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 two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

(3) Operation of the electrostatic precipitators are 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. 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 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 in (a) and (b) of this condition, 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.

D.1.3 Sulfur Dioxide (SO_2) Emission Limitations [326 IAC 7-1.1]

Pursuant to 326 IAC 7-1.1-2, the SO_2 emissions from Units 1 and 2 shall each not exceed 6.0 pounds per million Btu (lbs/MMBtu), when burning coal or coal in combination with any other fuel, and five-tenths (0.5) pounds per MMBtu when burning fuel oil.

Compliance Determination Requirements

D.1.4 Particulate Control

Except as otherwise specified in this permit, in order to comply with Condition D.1.1, the electrostatic precipitators for particulate control shall be in operation and control emissions from Units 1 and 2 at all times that the respective facilities are in operation.

D.1.5 Sulfur Dioxide Control

Except as otherwise provided by statute or rule or in this permit, the FGD scrubbers for SO_2 control shall be in operation as needed to maintain compliance with all applicable SO_2 limits.

D.1.6 Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

In order to demonstrate compliance with Condition D.1.1, the Permittee shall perform PM testing for Units 1 and 2, utilizing methods as approved by the Commissioner, no later than September 30, 2006. This test shall be repeated at least once every two (2) years following this valid compliance demonstration. Testing shall be conducted in accordance with Section C-Performance Testing.

D.1.7 Continuous Emission Monitoring [326 IAC 3-5] [40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5-1 and 40 CFR Part 75, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_X, and CO_2 emissions from Units 1 and 2. Each CEMS must meet all applicable performance specifications of 326 IAC 3-5-2 and 40 CFR Part 75. The data from the respective CEMS shall be used to determine compliance with Condition D.1.3.

(b) The CEMS must operate and record data during all periods of operation of the affected facilities including periods of startup, shutdown, malfunction or emergency conditions, except for CEMS breakdowns, repairs, calibration checks, and zero and span adjustments.

(c) All CEMS are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

(d) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a CEMS pursuant to 326 IAC 3-5 and/or 40 CFR Part 75.

D.1.8 Continuous Opacity Monitoring [326 IAC 3-5] [40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), and 326 IAC 2, a continuous monitoring system shall be installed, calibrated, maintained, and operated to measure the opacity of the exhaust from Units 1 and 2. The continuous opacity monitoring systems (COMS) shall meet the performance specifications of 326 IAC 3-5-2.

(b) The COMS must operate and record data during all periods of operation of the affected facilities including periods of startup, shutdown, malfunction or emergency conditions, except for COMS breakdowns, repairs, calibration checks, and zero and span adjustments.

(c) All COMS are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

(d) In instances of COMS downtime, the source shall follow the procedures in accordance with Section C - Maintenance of Continuous Opacity Monitoring Equipment, until such time that the COMS is back in operation.

(e) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a COMS pursuant to 326 IAC 3-5, 40 CFR Part 60, and/or 40 CFR Part 75.

(f) Pursuant to SPM 125-12171-00002, issued on February 20, 2001 and 326 IAC 3-5-1(c)(2)(A)(iii), an alternative monitoring requirement request has been granted for the location of the continuous opacity emission monitors for Unit 2. The monitors shall be located in the unit ducts 2-1 and 2-2 at the ID fan discharge location, downstream of the electrostatic precipitator and upstream of the scrubbers.

The combined data obtained from the continuous opacity monitors located in the ducts of Unit 2 at the Petersburg Generating Station is enforceable information for purposes of demonstrating compliance with 326 IAC 5.

D.1.9 Sulfur Dioxide Emissions [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

Pursuant to 326 IAC 7-2-1(a) and (c), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the applicable limits in Condition D.1.3. Compliance with these limits shall be determined using SO_2 CEMS data and demonstrated using a thirty (30) day rolling weighted average.

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

D.1.10 Electrostatic Precipitator (ESP) Monitoring [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 transformer-rectifier T-R sets.

(b) Reasonable response steps shall be taken in accordance with Section C - Response to Excursions or Exceedances whenever the percentage of T-R sets in service falls below 90 percent (90%). T-R set failure resulting in less than 90 percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C – Response to Excursions or Exceedances, shall be considered a deviation from this permit.

D.1.11 Opacity Readings - Response Steps [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Except during periods of start up and shut down, appropriate response steps shall be taken in accordance with Section C - Response to Excursions or Exceedances whenever the opacity from either boiler exceeds thirty percent (30%) for three (3) consecutive six (6) minute averaging periods. The response steps shall be conducted 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, 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.1.12 SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the SO_2 continuous emission monitoring system (CEMS) is malfunctioning or down for repairs or adjustments for twenty-four (24) hours or more, the Permittee shall monitor and record boiler load, recirculating pH, slurry feed rate, and number of recirculating pumps in service, to demonstrate that the operation of the scrubber continues in a manner typical for the boiler load and sulfur content of the coal and fuel oil fired. Scrubber parametric monitoring readings shall be recorded at least twice per day until the primary CEMS or a backup CEMS is brought online.

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

D.1.13 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.1.1, D.1.2, D.1.10 and D.1.11, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity, Condition D.1.1 and Condition D.1.2:

(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 compliance with Conditions D.1.3, D.1.7, D.1.9, and D.1.12, the Permittee shall maintain records in accordance with (1) through (3) below. Records shall be complete and sufficient to establish compliance with the SO_2 limits as required in Conditions D.1.3 and D.1.7.

(1) All SO_2 continuous emissions monitoring data pursuant to 326 IAC 3-5-6.

(2) All scrubber parametric monitoring readings taken during any periods of CEMS downtime, in accordance with Condition D.1.12.

(3) Actual fuel usage during each SO_2 CEMS downtime.

(c) To document compliance with Condition D.1.7, the Permittee shall maintain records of all NO_X continuous emissions monitoring data pursuant to 326 IAC 3-5-6. Records shall be complete and sufficient to establish compliance with the NO_X limits as required in 40 CFR Part 75.

(d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.14 Reporting Requirements

(a) A quarterly report of opacity exceedances and a quarterly summary of the information to document compliance with Conditions D.1.7 and D.1.8 shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(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; and

(5) Nature of system repairs and adjustments.

The report submitted by the Permittee does require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Boilers 3 and 4

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour. Unit 3 uses an electrostatic precipitator, selective catalytic reduction (installed in 2004) and an FGD scrubber as control, and exhausts to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, on which construction began in 1978 and which began operation in 1986, with a design capacity of 5550 MMBtu per hour. Unit 4 uses an electrostatic precipitator and FGD scrubber as control, and low NO_X burner (installed in 2001) for NO_X reduction, and exhausts to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

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

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

D.2.1 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The provisions of 40 CFR Part 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to Unit 3 and Unit 4 except when otherwise specified in 40 CFR Part 60, Subpart D.

D.2.2 New Source Performance Standard (NSPS) [326 IAC 12] [40 CFR Part 60, Subpart D]

Pursuant to 326 IAC 12 and 40 CFR Part 60, Subpart D (Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After August 17, 1971), emissions from Unit 3 and Unit 4 shall each not exceed the following:

(a) For particulate matter:

(1) One-tenth (0.10) pound PM per million Btu (MMBtu) heat input derived from fossil fuel. [40 CFR 60.42(a)(1)]

(2) Twenty percent (20%) opacity except for one six-minute period per hour of not more than twenty-seven percent (27%) opacity. [40 CFR 60.42(a)(2)] Pursuant to 40 CFR 60.11(c), this opacity standard is not applicable during periods of startup, shutdown, or malfunction.

(b) For sulfur dioxide:

(1) Eight-tenths (0.80) pound SO_2 per million Btu (MMBtu) heat input derived from liquid fossil fuel. [40 CFR 60.43(a)(1)]

(2) One and two-tenths (1.2) pound SO_2 per million Btu (MMBtu) heat input derived from solid fossil fuel. [40 CFR 60.43(a)(2)]

(3) When combusting different fossil fuels simultaneously, the applicable SO_2 limit shall be determined using the formula in 40 CFR 60.43(b).

(c) For nitrogen oxides:

(1) Three-tenths (0.30) pound NO_X per million Btu (MMBtu) heat input derived from liquid fossil fuel. [40 CFR 60.44(a)(2)]

(2) Seven-tenths (0.70) pound NO_X per million Btu (MMBtu) heat input derived from solid fossil fuel (except lignite or a solid fossil fuel containing twenty-five percent (25%), by weight, or more of coal refuse). [40 CFR 60.44(a)(3)]

(3) When combusting different fossil fuels simultaneously, the applicable NO_X limit shall be determined using the formula in 40 CFR 60.44(b).

D.2.3 Prevention of Significant Deterioration (PSD) [326 IAC 2-2] [40 CFR 52.21]

Pursuant to PSD (63) 1156, issued on February 21, 1978, and 326 IAC 2-2 (PSD), the following requirements shall apply to Unit 4:

(a) Sulfur dioxide (SO_2) emissions shall not exceed 1.2 pounds per MMBtu heat input when burning coal and shall be controlled by a wet limestone scrubber having a minimum control efficiency of 85.7 percent.

(b) PM emissions shall not exceed 0.1 pounds per MMBtu heat input and the electrostatic precipitator shall achieve a minimum control efficiency of 98.7 percent.

(c) Nitrogen oxides (NO_X) emissions shall not exceed 0.7 pounds per MMBtu heat input.

(d) The coal to be burned in the boiler will have a sulfur content in the range of 1.5 to 4.5 percent, an ash content in the range of 9 to 12 percent, and a typical heat content of 10,750 Btu per pound.

D.2.4 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 Units 1 and 2:

(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 total of four (4) hours (forty (40) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature entering the ESP reaches two hundred and fifty (250) degrees Fahrenheit at the inlet to 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 two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

(3) Operation of the electrostatic precipitators are 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. 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 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 in (a) and (b) of this condition, 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.

D.2.5 Sulfur Dioxide (SO_2) Emission Limitations [326 IAC 7-1.1]

Pursuant to 326 IAC 7-1.1-2, the SO_2 emissions from Units 3 and 4 shall each not exceed 6.0 pounds per million Btu (lbs/MMBtu), when burning coal or coal in combination with any other fuel, and five-tenths (0.5) pounds per MMBtu when burning fuel oil.

Compliance Determination Requirements

D.2.6 Particulate Control

Except as otherwise specified in this permit, in order to comply with Conditions D.2.2 and D.2.3(b), the electrostatic precipitators (ESPs) for particulate control shall be in operation and control emissions from Units 3 and 4 at all times that the respective facilities are in operation.

D.2.7 Sulfur Dioxide Control

(a) In order to comply with Conditions D.2.2(b) and D.2.5, the FGD scrubber for SO_2 control shall be in operation and control emissions from Unit 3 at all times that the respective facility is in operation, except when compliance is determined through the use of low sulfur coal as allowed by 40 CFR Part 60, Subpart D.

(b) In order to comply with Conditions D.2.2(b), D.2.3(a), and D.2.5 and pursuant to PSD (63) 1156, issued on February 21, 1978, the FGD scrubber for SO_2 control shall be in operation and control emissions from Unit 4 at all times that the facility is in operation.

D.2.8 Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

(a) In order to demonstrate compliance with Condition D.2.2(a)(1), the Permittee shall perform PM testing on Unit 3:

(b) In order to demonstrate compliance with Conditions D.2.2(a)(1) and D.2.3(b), the Permittee shall perform inlet and outlet PM testing on the ESP for Unit 4.

These tests shall be performed no later than November 30, 2005. These tests shall be repeated at least once every two (2) years following valid compliance demonstration. Testing shall be conducted in accordance with Section C- Performance Testing utilizing methods approved by the Commissioner.

D.2.9 Fuel Sampling and Analysis

In order to demonstrate compliance with Condition D.2.3(a), the Permittee shall:

(a) Sample and analyze the coal by using one of the following procedures:

(1) Providing vendor analysis of coal delivered, if accompanied by a certification from the fuel supplier as described under 40 CFR 60.48c(f)(3). The certification shall include:

(A) The name of the coal supplier;

(B) The location of the coal when the sample was collected for analysis to determine the properties of the coal, specifically including whether the coal was sampled as delivered to the affected facility or whether the coal was collected from coal in storage at the mine, at a coal preparation plant, at a coal supplier=s facility, or at another location. The certification shall include the name of the coal mine (and coal seam), coal storage facility, or coal preparation plant (where the sample was collected);

(C) The results of the analysis of the coal from which the shipment came (or of the shipment itself) including the sulfur content, moisture content, ash content, and heat content; and

(D) The methods used to determine the properties of the coal; and

(2) Minimum Coal Sampling Requirements and Analysis Methods:

(A) The coal sample acquisition point shall be at a location where representative samples of the total coal flow to be combusted by the facility or facilities may be obtained. A single as-bunkered or as-burned sampling station may be used to represent the coal to be combusted by multiple facilities using the same stockpile feed system;

(B) Coal shall be sampled at least one (1) time per day;

(C) Minimum sample size shall be five hundred (500) grams;

(D) Samples shall be composited and analyzed at the end of each calendar quarter;

(E) Preparation of the coal sample, heat content analysis, and sulfur content analysis shall be determined pursuant to 326 IAC 3-7-2(c), (d), (e); or

(3) Sample and analyze the coal pursuant to 326 IAC 3-7-3.

(b) Sample and analyze the fuel oil by using one of the following procedures

(1) Providing vendor analysis of fuel delivered, if accompanied by a vendor certification, or;

(2) Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.

(A) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and

(B) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling.

D.2.10 Continuous Emission Monitoring [326 IAC 3-5] [40 CFR Part 60, Subpart D] [40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5-1, 40 CFR Part 60 Subpart D and 40 CFR Part 75, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_X, and CO_2 emissions from Unit 3. Each CEMS required by this permit must meet all applicable performance specifications of 326 IAC 3-5-2, 40 CFR 60.45 and 40 CFR Part 75. The data from the respective CEMS will be used to determine compliance with Conditions D.2.2, D.2.5 and D.2.12.

(b) Pursuant to 326 IAC 3-5-1, 40 CFR Part 60 Subpart D, 40 CFR Part 75 and PSD (63) 1156, issued on February 21, 1978, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_X, and CO_2 emissions from Unit 4. Each CEMS required by this permit must meet all applicable performance specifications of 326 IAC 3-5-2, 40 CFR 60.45, and 40 CFR Part 75. The data from the respective CEMS will be used to determine compliance with Conditions D.2.2, D.2.3, D.2.5 and D.2.12.

(c) The CEMS required by this permit must operate and record data during all periods of operation of the affected facilities including periods of startup, shutdown, malfunction or emergency conditions, except for CEMS breakdowns, repairs, calibration checks, and zero and span adjustments.

(d) All CEMS required by this permit are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

(e) Excess SO_2 emissions for affected facilities are defined as any three-hour period during which the average emissions (arithmetic average of three contiguous one-hour periods) of sulfur dioxide as measured by a continuous monitoring system exceed the applicable standard under 40 CFR 60.43. [40 CFR 60.45(g)(2)(i)]

(f) Excess NO_X emissions for affected facilities using a continuous monitoring system for measuring nitrogen oxides are defined as any three-hour period during which the average emissions (arithmetic average of three contiguous one-hour periods) exceed the applicable standards under 40 CFR 60.44. [40 CFR 60.45(g)(3)]

(g) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a CEMS pursuant to 326 IAC 3-5, 40 CFR Part 60, and/or 40 CFR Part 75.

D.2.11 Continuous Opacity Monitoring [326 IAC 3-5] [40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), and 326 IAC 2, a continuous monitoring system shall be installed, calibrated, maintained, and operated to measure the opacity of the exhaust from Units 3 and 4. The continuous opacity monitoring system (COMS) shall meet the performance specifications of 326 IAC 3-5-2.

(b) The COMS must operate and record data during all periods of operation of the affected facilities including periods of startup, shutdown, malfunction or emergency conditions, except for COMS breakdowns, repairs, calibration checks, and zero and span adjustments.

(c) All COMS are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

(d) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a COMS pursuant to 326 IAC 3-5, 40 CFR Part 60, and/or 40 CFR Part 75.

D.2.12 Sulfur Dioxide Emissions [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

Pursuant to 326 IAC 7-2-1(a) and (c), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the applicable limits in Condition D.2.5. Compliance with these limits shall be determined using SO_2 CEMS data and demonstrated using a thirty (30) day rolling weighted average.

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

D.2.13 Electrostatic Precipitator (ESP) Monitoring [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 in accordance with Section C - Response to Excursions or Exceedances whenever the percentage of T-R sets in service falls below 90 percent (90%). T-R set failure resulting in less than 90 percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

D.2.14 SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the SO_2 continuous emission monitoring system (CEMS) is malfunctioning or down for repairs or adjustments for twenty-four (24) hours or more, the Permittee shall monitor and record boiler load, recirculating pH, slurry feed rate, and number of recirculating pumps in service, 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.

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

D.2.15 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.2.2, D.2.3, D.2.4, D.2.10, and D.2.13, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Conditions D.2.2, D.2.3 and D.2.4:

(1) Data and results from the most recent stack test;

(2) All continuous opacity monitoring data, pursuant to 326 IAC 3-5-6 and 40 CFR 60.45;

(3) The results of all Method 9 visible emission readings taken during any periods of COMS downtime; and

(4) All ESP parametric monitoring readings.

(b) To document compliance with Conditions D.2.2, D.2.3, D.2.5, D.2.10, D.2.12, and D.2.14, the Permittee shall maintain records in accordance with (1) through (3) below. Records shall be complete and sufficient to establish compliance with the SO_2 limits as required in Conditions D.2.3 and D.2.5.

(1) All SO_2 continuous emissions monitoring data, pursuant to 326 IAC 3-5-6 and 40 CFR 60.45.

(2) All scrubber parametric monitoring readings taken during any periods of CEMS downtime, in accordance with Condition D.2.14.

(3) Actual fuel usage during each SO_2 CEMS downtime.

(c) To document compliance with Conditions D.2.2, D.2.3, and D.2.10, the Permittee shall maintain records of all NO_X continuous emissions monitoring data, pursuant to 326 IAC 3-5-6 and 40 CFR 60.45. Records shall be complete and sufficient to establish compliance with the NO_X limits as required in Conditions D.2.2 and D.2.3.

(d) Pursuant to 326 IAC 3-7-5(a), the Permittee shall develop a standard operating procedure (SOP) to be followed for sampling, handling, analysis, quality control, quality assurance, and data reporting of the information collected pursuant to 326 IAC 3-7-2 through 326 IAC 3-7-4. In addition, any revision to the SOP shall be submitted to IDEM, OAQ.

(e) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.16 Reporting Requirements

(a) A quarterly report of opacity exceedances and a quarterly summary of the information to document compliance with Conditions D.2.2 and D.2.7 shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

(b) To document compliance with Condition D.2.2 and pursuant to 40 CFR 60.45(g), excess emissions and monitoring system performance (MSP) reports shall be submitted to the administrator semi-annually for each six month period in the calendar year. All semiannual reports shall be postmarked by the 30th day following the end of each six-month period. Each excess emission and MSP report shall include the information required in 40 CFR 60.7(c). These reports shall be submitted to:

U.S. Environmental Protection Agency
Director, Air and Radiation Division
77 West Jackson Boulevard
Chicago, IL 60604-3590

and

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

(c) 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; and

(5) Nature of system repairs and adjustments.

The report submitted by the Permittee does require the certification by the Aresponsible official@ as defined by 326 IAC 2-7-1(34).

SECTION D.3 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Emergency Generators

(e) One (1) emergency diesel internal combustion engine/generator, identified as PB-2, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB2-1.

(f) One (1) emergency diesel internal combustion engine/generator, identified as PB-3, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB3-1.

(g) One (1) emergency diesel internal combustion engine/generator, identified as PB-4, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB4-1.

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

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

D.3.1 General Provisions Relating to NESHAP [326 IAC 20-1] [40 CFR Part 63, Subpart A]

(a) The provisions of 40 CFR 63 Subpart A - General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the affected sources, as designated by 40 CFR 63.6590(a)(1), except when otherwise specified in 40 CFR 63 Subpart ZZZZ. The Permittee must comply with these requirements on and after the effective date of 40 CFR 63, Subpart ZZZZ.

(b) Since the applicable requirements associated with the compliance options for the existing affected sources are not included and specifically identified in this permit, the permit shield authorized by the B section of this permit in the condition titled Permit Shield, and set out in 326 IAC 2-7-15 does not apply to paragraph (a) of this condition, except as otherwise provided in this condition. The permit shield applies to Condition D.3.3, National Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines - Notification Requirements.

D.3.2 National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines [40 CFR Part 63, Subpart ZZZZ]

(a) The affected sources are subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines, (40 CFR 63, Subpart ZZZZ), as of the effective date of 40 CFR 63, Subpart ZZZZ. Pursuant to this rule, the Permittee must comply with 40 CFR 63, Subpart ZZZZ on and after three years after the effective date of 40 CFR 63, Subpart ZZZZ.

(b) The following emissions units are the affected sources: emergency diesel internal combustion engines/generators PB-2 through PB-4.

(c) The emergency diesel internal combustion engines/generators PB-2 through PB-4 operate exclusively as emergency/limited use units, therefore are subject only to initial notification requirements.

(d) The definitions of 40 CFR 63, Subpart ZZZZ at 40 CFR 63.6675 are applicable to the affected sources.

(e) Since the applicable requirements associated with the compliance options for the affected sources are not included and specifically identified in this permit, the permit shield authorized by the B section of this permit in the condition titled Permit Shield, and set out

in 326 IAC 2-7-15 does not apply to paragraph (a) of this condition. The permit shield applies to Condition D.3.3, National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines - Notification Requirements.

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

D.3.3 National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines - Notification Requirements [40 CFR 63, Subpart ZZZZ]

(a) Pursuant to 40 CFR 63.6645, the Permittee shall submit the notifications in 40 CFR 63.7(b) and (c), 63.8(e), (f)(4) and (f)(6), and 63.9(b) through (e), and (g) and (h) that apply to the affected sources by the dates specified. These notifications include, but are not limited to, the following:

(1) If required to conduct a performance test, a notification of intent to conduct a performance test at least 60 days before the performance test is scheduled to begin as required by 40 CFR 63.7(b)(1) and 40 CFR 63.6645(e).

(2) A Notification of Compliance Status containing the information required by 40 CFR 63.9(h)(2)(ii) in accordance with 40 CFR 63.6645(f). The Notification of Compliance Status must be submitted:

(A) Before the close of business on the 30th day following the completion of the initial compliance demonstration, for each initial compliance demonstration that does not include a performance test.

(B) Before the close of business on the 60th day following the completion of the performance test according to 40 CFR 63.10(d)(2), for each initial compliance demonstration that includes a performance test. The performance test results shall also be submitted.

(3) If required to use a continuous monitoring system (CMS), notifications, if required, as specified in 40 CFR 63.9(g), by the date of submission of the notification of intent to conduct a performance test.

(b) The notifications required by paragraph (a) shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

The notifications require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

D.3.4 Requirement to Submit a Significant Permit Modification Application [326 IAC 2-7-12][326 IAC 2-7-5]

The Permittee shall submit an application for a significant permit modification to IDEM, OAQ to include information regarding which compliance option or options will be chosen in the Part 70 permit for the affected sources.

(a) The significant permit modification application shall be consistent with 326 IAC 2-7-12, including information sufficient for IDEM, OAQ to incorporate into the Part 70 permit the applicable requirements of 40 CFR 63, Subpart ZZZZ, a description of the affected sources and activities subject to the standard, and a description of how the Permittee will meet the applicable requirements of the standard.

(b) The significant permit modification application shall be submitted no later than nine months prior to the compliance date as specified in 40 CFR 63.6595(a)(1).

(c) The significant permit modification application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

SECTION D.4 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Coal Handling Facilities

(h) Coal handling facility, identified as PB-45 ASystem A@, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of the following operations:

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Free fall from overhead conveyor to outside pile.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads.

(i) Coal and limestone handling facility, identified as PB-48 “System B,” constructed in 1973, with a maximum throughput of 901.8 tons per hour, consisting of the following operations:

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, front end loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Limestone wet ball mill.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads.

(The information describing the process contained in this facility 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 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 coal and limestone handling facilities (PB-45 and PB-48) shall not exceed an amount determined by the following:

(a) Interpolation and extrapolation of the data for the process weight rate in excess of sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 55.0\ P^{0.11} - 40$ where E = rate of emission in pounds per hour; and P = process weight rate in tons per hour.

(b) When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed the pounds per hour limitation calculated using the above equation, provided the concentration of particulate in the discharge gases to the atmosphere is less than 0.10 pounds per one thousand (1,000) pounds of gases.

Compliance Determination Requirements

D.4.2 Particulate Control [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, in order to comply with Condition D.4.1 the enclosures for particulate control shall be in place and control emissions at all times facilities PB-45 ASystem A@ and PB-48 ASystem B@ are in operation.

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

D.4.3 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the coal and limestone transfer points shall be performed once per day during normal daylight operations when unloading coal and limestone. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. 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 in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

(c) For processes operated continuously, “normal” means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation.

(d) 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.

(e) 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.4.4 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.4.3, the Permittee shall maintain records of the visible emission notations.

(b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.5 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Limestone/Fly Ash/Gypsum Handling Facilities

(j) Limestone handling facility, identified as PB-65, constructed in 1993, with a maximum throughput of 102.7 tons per hour, consisting of the following operations:

(1) Truck unloading.

(2) Move bulk materials - haul trucks, dozers, front end loaders, other heavy mobile equipment, etc.

(3) Outside storage pile.

(4) Reclaiming and loading.

(5) Transfer - hoppers, feeders, conveyors, silos, etc.

(6) Enclosures at drop points.

(7) Baghouses on the silos.

(8) Limestone wet ball mill.

(9) Truck hauling on paved and unpaved roads

(k) FGD sludge (gypsum) handling facility, identified as PB-67, constructed in 1993, with a maximum throughput of 250.2 tons per hour, consisting of the following operations:

(1) Wet handling to dewatering process.

(2) Transfer - hoppers, feeders, conveyors, etc.

(3) Enclosures at drop points.

(4) Free fall from overhead conveyors to inside piles.

(5) Inside and outside storage piles.

(6) Loading.

(7) Move bulk materials - haul trucks, front end loader, other heavy mobile equipment, etc.

(8) Truck hauling on paved and unpaved roads.

(l) Ash and FGD sludge (filter cake) handling facility, identified as PB-51, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:

Operations constructed in 1963:

(1) Wet process ash handling from Units 1 and 2 ash pond.

Operations constructed in 1973 for Unit 3:

(2) Move bulk materials - haul trucks, front end loader, bulldozer, excavating, dredging, other heavy mobile equipment, etc.

(3) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(4) Enclosures at drop points.

Facility Description [326 IAC 2-7-5(15)] : Limestone/Fly Ash/Gypsum Handling Facilities (Continued)

(5) Conveying dry fly ash to silos with baghouse B-10.

(6) Wet process ash handling from Unit 3 to ash pond and/or dewatering bins.

(7) Free fall from overhead conveyor to outside pile.

(8) Outside storage pile.

(9) Landfill disposal facilities for Coal Combustion Products.

(10) Truck and tanker loading.

(11) Truck unloading.

(12) Truck hauling on paved and unpaved roads.

Operations constructed in 1973 and modified for Unit 4:

(9) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(10) Enclosures at drop points.

(11) Conveying dry fly ash to silos with baghouse.

(12) Wet process ash handling from Unit 4 to ash pond and/or dewatering bins.

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

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

D.5.1 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The provisions of 40 CFR Part 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to facility PB-65 and PB-67 except when otherwise specified in 40 CFR Part 60, Subpart OOO.

D.5.2 New Source Performance Standard (NSPS): Nonmetallic Mineral Processing Plants [326 IAC 12] [40 CFR 60, Subpart OOO]

(a) Pursuant to 326 IAC 12 and 40 CFR 60, Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants), for the limestone, and gypsum handling facilities, PB-65 and PB-67, the Permittee shall not cause to be discharged into the atmosphere:

(1) From transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill, any stack emissions which:

(A) Contain particulate matter that exceeds 0.05 grains per dry standard cubic meter (g/dscm) (0.022 grains per dry standard cubic foot (g/dscf)); and

(B) Exhibit greater than a seven percent (7%) opacity. [40 CFR 60.672(a)]

(2) From truck hauling of limestone and gypsum on paved and upaved roads, and wind erosion of limestone and gymsum piles, any fugitive emissions which exhibit greater than ten percent (10%) opacity, except as provided in (a)(3), (4), and (5) of this condition. [40 CFR 60.672(b)]

(3) Truck unloading of nonmetallic minerals into any screening operation, feed hopper, or crusher is exempt from the requirements of 40 CFR 60.672.

[40 CFR 60.672(d)]

(4) If transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill are enclosed in a building, then each enclosed affected facility must comply with the emission limits in (a)(1), (2), and (3) of this condition, or the Permittee shall not cause to be discharged into the atmosphere:

(A) From transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill, any visible fugitive emissions except emissions from a vent as defined in 40 CFR 60.671.

(B) From any vent of any building enclosing any transfer point on a conveyor belt or any other affected facility, emissions which exceed the stack emission limits in (a)(1) of this condition. [40 CFR 60.672(e)]

(5) From any baghouses that control emissions from an individual silo, stack emissions which exhibit greater than seven percent (7%) opacity. Multiple silos with combined stack emissions shall comply with the emission limits in (a)(1) of this condition. [40 CFR 60.672(f)]

(6) Multiple silos with combined stack emissions shall comply with the emission limits in (a)(1) of this condition. [40 CFR 60.672(g)]

(b) When an owner or operator replaces an existing facility with a piece of equipment that is of larger size, as defined in 40 CFR 60.671, having the same function as the existing facility, or an owner or operator replaces all existing facilities in a production line with new facilities, then the replacement is subject to 40 CFR 60.672 (Standard for Particulate Matter), 40 CFR 60.674 (Monitoring of Operations), 40 CFR 60.675 (Test Methods and Procedures), and 40 CFR 60.676 (Reporting and Recordkeeping) of Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants.
[40 CFR 60.670(d)]

D.5.3 Particulate [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 operations performed at facilities PB-51 shall not exceed an amount determined by the following:

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

$E = 55.0\ P^{0.11} - 40$ where E = rate of emission in pounds per hour; and P = process weight rate in tons per hour.

(b) When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed the pounds per hour limitation calculated using the above equation, provided the concentration of particulate in the discharge gases to the atmosphere is less than 0.10 pounds per one thousand (1,000) pounds of gases.

D.5.4 Fugitive Dust Emission Limitations [326 IAC 6-4-2]

(a) Any ash pond area generating fugitive dust shall be in violation of this rule (326 IAC 6-4) if any of the following criteria are violated:

(1) A source or combination of sources which cause to exist fugitive dust concentrations greater than sixty-seven percent (67%) in excess of ambient upwind concentrations as determined by the following formula:

$$P = \frac{100\ (R) - U)}{U}$$

where
P = Percentage increase
R = Number of particles of fugitive dust measured at downward receptor site
U = Number of particles of fugitive dust measured at upwind or background site

(2) The fugitive dust is comprised of fifty percent (50%) or more respirable dust, then the percent increase of dust concentration in subdivision (1) of this section shall be modified as follows:

$$P_R = (1.5 \forall N) P$$

where
N = Fraction of fugitive dust that is respirable dust;
P_R = allowable percentage increase in dust concentration above background; and
P = no value greater than sixty-seven percent (67%).

(3) The ground level ambient air concentrations exceed fifty (50) micrograms per cubic meter above background concentrations for a sixty (60) minute period.

(4) If fugitive dust is visible crossing the boundary or property line of a source. This subdivision may be refuted by factual data expressed in subdivisions (1), (2) or (3) of this section. 326 IAC 6-4-2(4) is not federally enforceable.

(b) Pursuant to 326 IAC 6-4-6(6) (Exceptions), fugitive dust from a source caused by adverse meteorological conditions will be considered an exception to this rule (326 IAC 6-4) and therefore not in violation.

Compliance Determination Requirement

D.5.5 NSPS Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart OOO]

Compliance with the particulate and opacity emission limitations in Condition D.5.2 shall be determined by the methods and procedures specified in 40 CFR 60.675.

D.5.6 Particulate Control [326 IAC 2-7-6(6)]

In the event that bag failure is observed in a multi-compartment baghouse, if operations will continue for ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

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

D.5.7 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the fly ash pond areas shall be performed at least once per day during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

(b) Visible emission notations of the exhaust from the limestone/fly ash/gypsum silo baghouses shall be performed once per week during normal daylight operations when the respective facilities are in operation. A trained employee shall record whether any emissions are observed.

(c) Visible emission notations of the ballmill exhaust shall be performed once per day during normal daylight operations when the ballmill is in operation. A trained employee shall record whether emissions are normal or abnormal.

(d) Visible emission notations of the exhaust from all limestone/fly ash/gypsum transfer points shall be performed once per day during normal daylight when transferring the respective material. A trained employee shall record whether emissions are normal or abnormal.

(e) If visible emissions are observed crossing the property line or boundaries of the property, right-of-way, or easement on which the source is located, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

(f) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Observation of an abnormal emission that does 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 in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

(g) For processes operated continuously, “normal” means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(h) 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.

(i) 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.

D.5.8 Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The Permittee shall record the pressure drop across the baghouses used in conjunction with the silos at least once per week when the silos are receiving material. When for any one reading, the pressure drop across the baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

(b) The instrument used for determining the pressure drop shall comply with Section C - Instrument Specifications, and shall be calibrated in accordance with the manufacturer's specifications. The specifications shall be available on site with the Preventive Maintenance Plan.

D.5.9 Broken or Failed Bag Detection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) For single compartment baghouse, controlling emissions from a process operated continuously, a failed unit and the associated process shall be shut down immediately until the failed unit has been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

(b) For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit has been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the emission units. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

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

D.5.10 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.5.7, the Permittee shall maintain records of the once per shift visible emission notations of the flyash storage pond areas, limestone/fly ash/gypsum unloading station openings and transfer points and ballmill baghouse exhausts.

(b) To document compliance with Condition D.5.8, the Permittee shall maintain records of the pressure drop across each baghouse.

(c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.6 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Insignificant Activities

(a) The following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment cutting torches, soldering equipment, welding equipment [326 IAC 6-3-2].

(b) Structural steel and bridge fabrication activities: cutting 20000 linear feet or less of one inch (1") plate or equivalent, using 80 tons or less of welding consumables [326 IAC 6-3-2].

(c) Coal bunker and coal scale exhausts and associated dust collector vents [326 IAC 6-3-2].

(d) 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 6-3-2].

(e) Vents from ash transport systems not operated at positive pressure [326 IAC 6-3-2].

(f) Paved and unpaved roads and parking lots with public access [326 IAC 6-4] [326 IAC 6-5].

(g) Activities with emissions equal to or less than the following thresholds: 5 lb/hr or 25 lb/day PM; 5 lb/hr or 25 lb/day SO2; 5 lb/hr or 25 lb/day NO_X; 3 lb/hr or 15 lb/day VOC; 0.6 tons per year Pb; 1.0 ton/yr of a single HAP, or 2.5 ton/yr of any combination of HAPs:

(1) Coal Pile Wind Erosion [326 IAC 6-4] [326 IAC 6-5].

(2) Fly ash/FGD Sludge Landfill Drop Points [326 IAC 6-4] [326 IAC 6-5].

(3) Fly ash/FGD Sludge Landfill Wind Erosion [326 IAC 6-4] [326 IAC 6-5].

(The information describing the process contained in this facility 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 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: structural steel and bridge fabrication activities; coal bunker and coal scale exhausts and associated dust collector vents; 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; vents from ash transport systems not operated at positive pressure; and the following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment cutting torches, soldering equipment, welding equipment, shall not exceed an amount determined by the following:

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.

SECTION D.7 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Fly Ash Loadout Operations

(m) One (1) fly ash railcar loading operation, identified as BH-N, constructed in 2005, with a maximum throughput rate of 37.5 tons of fly ash per hour, controlled by a baghouse, and exhausting through stack 101.

(n) One (1) fly ash railcar loading operation from Ash Silo 3, constructed in 2005, with a maximum throughput rate of 200 tons of fly ash per hour, with an enclosed drop from Silo 3 to an air-fluidized enclosed loadout slide from the silo and a gasket drop to enclosed railroad cars, controlled by baghouse B-11, and exhausting through stack 11.

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

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

D.7.1 PSD Minor Limits [326 IAC 2-2]

In order to render the requirements of 326 IAC 2-2 (PSD) not applicable, the Permittee shall comply with the following:

Unit Description	PM Limit (lbs/hr)	PM10 Limit (lbs/hr)	Construction Permit
Fly Ash Railcar Loading Operation BH-N	5.68	3.40	SSM #125-20083-00002, issued on June 7, 2005
Fly Ash Rail Loading Operation from Ash Silo 3	5.69	3.40	SSM #125-21340-00002, issued on September 26, 2005

Therefore, the emissions from each of the fly ash railcar loading operations are limited to less than 25 tons/yr for PM and less than 15 tons/yr for PM10, and the requirements of 326 IAC 2-2 (PSD) are not applicable to these operations when they were constructed.

D.7.2 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), particulate emission rate from the fly ash railcar loading operations shall not exceed the emission limits listed in the table below:

Unit Description	Max. Throughput Rate (tons/hr)	Particulate Emission Limit (lbs/hr)
Fly Ash Railcar Loading Operation BH-N	37.5	41.9
Fly Ash Rail Loading Operation from Ash Silo 3	200	58.5

The emission limits above were calculated using the equation below:

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

$E = 55.0\ P^{0.11} - 40$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour.

Compliance Determination Requirement

D.7.3 PM and PM 10 Control

(a) In order to comply with Conditions D.7.1 and D.7.2, the baghouses for particulate control shall be in operation and control emissions from the fly ash railcar loading operations at all times that these units are in operation.

(b) In the event that bag failure is observed in a multi-compartment baghouse, if operations will continue for ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

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

D.7.4 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the baghouse stack exhausts (stacks 101 and 11) for the fly ash railcar loading operations shall be performed at least once per week during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

(b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(c) 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.

(d) 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.

(e) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Observation of an abnormal emission that does 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 in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

D.7.5 Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

The Permittee shall record the pressure drop across the baghouses used in conjunction with the fly ash railcar loading operations at least once per week. When for any one reading, the pressure drop across the baghouse is outside the normal ranges listed in the table below or range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

Unit Description	Baghouse Stack ID	Pressure Drop Range (inches of water)
Fly Ash Railcar Loading Operation BH-N	101	1.0 - 6.0
Fly Ash Rail Loading Operation from Ash Silo 3	11	2.0 - 6.0

The instrument used for determining the pressure shall comply with Section C - Instrument Specifications, and shall be calibrated in accordance with the manufacturer's specifications. The specifications shall be available on site with the Preventive Maintenance Plan.

D.7.6 Broken or Failed Bag Detection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) For a single compartment baghouse controlling emissions from a process operated continuously, a failed unit and the associated process shall be shut down immediately until the failed unit has been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

(b) For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit has been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the emission units. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

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

D.7.7 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.7.4, the Permittee shall maintain records of the visible emission notations for the fly ash railcar loading operations.

(b) To document compliance with Condition D.7.5, the Permittee shall maintain once per week records of the pressure drop across the baghouses for the fly ash railcar loading operations.

(c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION E TITLE IV CONDITIONS

Facility Description [326 IAC 2-7-5(15)]

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour. Unit 1 uses an electrostatic precipitator and FGD scrubber (installed in 1996) as control, and low NO_X burner (installed in 1995) for NO_X reduction, and exhausts to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour. Unit 2 uses an electrostatic precipitator, FGD scrubber (installed in 1996), and selective catalytic reduction (installed in 2004) as control, and low NO_X burner for NO_X reduction, and exhausts to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour. Unit 3 uses an electrostatic precipitator, selective catalytic reduction (installed in 2004) and an FGD scrubber as control, and exhausts to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, on which construction began in 1978 and which began operation in 1986, with a design capacity of 5550 MMBtu per hour. Unit 4 uses an electrostatic precipitator and FGD scrubber as control, and low NO_X burner (installed in 2001) for NO_X reduction, and exhausts to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

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

Acid Rain Program

E.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.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 F NITROGEN OXIDES BUDGET TRADING PROGRAM - NO_X BUDGET PERMIT FOR NO_X BUDGET UNITS UNDER 326 IAC 10-4-1(A)

ORIS Code: 994

NO_X Budget Source [326 IAC 2-7-5(15)]

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour. Unit 1 uses an electrostatic precipitator and FGD scrubber (installed in 1996) as control, and low NO_X burner (installed in 1995) for NO_X reduction, and exhausts to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour. Unit 2 uses an electrostatic precipitator, FGD scrubber (installed in 1996), and selective catalytic reduction (installed in 2004) as control, and low NO_X burner for NO_X reduction, and exhausts to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour. Unit 3 uses an electrostatic precipitator, selective catalytic reduction (installed in 2004) and an FGD scrubber as control, and exhausts to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X), sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, on which construction began in 1978 and which began operation in 1986, with a design capacity of 5550 MMBtu per hour. Unit 4 uses an electrostatic precipitator and FGD scrubber as control, and low NO_X burner (installed in 2001) for NO_X reduction, and exhausts to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and carbon dioxide (CO_2) and a continuous opacity monitor (COM).

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

F.1 Automatic Incorporation of Definitions [326 IAC 10-4-7(e)]

This NO_X budget permit is deemed to incorporate automatically the definitions of terms under 326 IAC 10-4-2.

F.2 Standard Permit Requirements [326 IAC 10-4-4(a)]

(a) The owners and operators of the NO_X budget source and each NO_X budget unit shall operate each unit in compliance with this NO_X budget permit.

(b) The NO_X budget units subject to this NO_X budget permit are Unit 1, Unit 2, Unit 3, and Unit 4.

F.3 Monitoring Requirements [326 IAC 10-4-4(b)]

(a) The owners and operators and, to the extent applicable, the NO_X authorized account representative of the NO_X budget source and each NO_X budget unit at the source shall comply with the monitoring requirements of 40 CFR 75 and 326 IAC 10-4-12.

(b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 326 IAC 10-4-12 shall be used to determine compliance by each unit with the NO_X budget emissions limitation under 326 IAC 10-4-4(c) and Condition F.4, Nitrogen Oxides Requirements.

F.4 Nitrogen Oxides Requirements [326 IAC 10-4-4(c)]

(a) The owners and operators of the NO_X budget source and each NO_X budget unit at the source shall hold NO_X allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO_X allowance transfer deadline, in each unit=s compliance account and the source=s overdraft account in an amount:

(1) Not less than the total NO_X emissions for the ozone control period from the unit, as determined in accordance with 40 CFR 75 and 326 IAC 10-4-12;

(2) To account for excess emissions for a prior ozone control period under 326 IAC 10-4-10(k)(5); or

(3) To account for withdrawal from the NO_X budget trading program, or a change in regulatory status of a NO_X budget opt-in unit.

(b) Each ton of NO_X emitted in excess of the NO_X budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.

(c) Each NO_X budget unit shall be subject to the requirements under (a) above and 326 IAC 10-4-4(c)(1) starting on May 31, 2004.

(d) NO_X allowances shall be held in, deducted from, or transferred among NO_X allowance tracking system accounts in accordance with 326 IAC 10-4-9 through 11, 326 IAC 10-4-13, and 326 IAC 10-4-14.

(e) A NO_X allowance shall not be deducted, in order to comply with the requirements under (a) above and 326 IAC 10-4-4(c)(1), for an ozone control period in a year prior to the year for which the NO_X allowance was allocated.

(f) A NO_X allowance allocated under the NO_X budget trading program is a limited authorization to emit one (1) ton of NO_X in accordance with the NO_X budget trading program. No provision of the NO_X budget trading program, the NO_X budget permit application, the NO_X budget permit, or an exemption under 326 IAC 10-4-3 and no provision of law shall be construed to limit the authority of the U.S. EPA or IDEM, OAQ to terminate or limit the authorization.

(g) A NO_X allowance allocated under the NO_X budget trading program does not constitute a property right.

(h) Upon recording by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_X allowance to or from each NO_X budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, this NO_X budget permit of the NO_X budget unit by operation of law without any further review.

F.5 Excess Emissions Requirements [326 IAC 10-4-4(d)]

The owners and operators of each NO_X budget unit that has excess emissions in any ozone control period shall do the following:

(a) Surrender the NO_X allowances required for deduction under 326 IAC 10-4-10(k)(5).

(b) Pay any fine, penalty, or assessment or comply with any other remedy imposed under 326 IAC 10-4-10(k)(7).

F.6 Record Keeping Requirements [326 IAC 10-4-4(e)] [326 IAC 2-7-5(3)]

Unless otherwise provided, the owners and operators of the NO_X budget source and each NO_X budget unit at the source shall keep, either 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:

(a) The account certificate of representation for the NO_X authorized account representative for the source and each NO_X budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 326 IAC 10-4-6(h). The certificate and documents shall be retained either on site at the source or at a central location within Indiana for those owners or operators with unattended sources beyond the five (5) year period until the documents are superseded because of the submission of a new account certificate of representation changing the NO_X authorized account representative.

(b) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide 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 NO_X budget trading program.

(d) Copies of all documents used to complete a NO_X budget permit application and any other submission under the NO_X budget trading program or to demonstrate compliance with the requirements of the NO_X budget trading program.

This period may be extended for cause, at any time prior to the end of five (5) years, in writing by IDEM, OAQ or the U.S. EPA. Records retained at a central location within Indiana shall be available immediately at the location and submitted to IDEM, OAQ or U.S. EPA within three (3) business days following receipt of a written request. Nothing in 326 IAC 10-4-4(e) shall alter the record retention requirements for a source under 40 CFR 75. Unless otherwise provided, all records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

F.7 Reporting Requirements [326 IAC 10-4-4(e)]

(a) The NO_X authorized account representative of the NO_X budget source and each NO_X budget unit at the source shall submit the reports and compliance certifications required under the NO_X budget trading program, including those under 326 IAC 10-4-8, 326 IAC 10-4-12, or 326 IAC 10-4-13.

(b) Pursuant to 326 IAC 10-4-4(e) and 326 IAC 10-4-6(e)(1), each submission shall include the following certification statement by the NO_X authorized account representative: “I am authorized to make this submission on behalf of the owners and operators of the NO_X budget sources or NO_X budget 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 10-4 requires a submission to IDEM, OAQ, the NO_X authorized account representative shall submit required information to:

Indiana Department of Environmental Management
Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

(d) Where 326 IAC 10-4 requires a submission to U.S. EPA, the NO_X authorized account representative shall submit required information to:

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

F.8 Liability [326 IAC 10-4-4(f)]

The owners and operators of each NO_X budget source shall be liable as follows:

(a) Any person who knowingly violates any requirement or prohibition of the NO_X budget trading program, a NO_X budget permit, or an exemption under 326 IAC 10-4-3 shall be subject to enforcement pursuant to applicable state or federal law.

(b) Any person who knowingly makes a false material statement in any record, submission, or report under the NO_X budget trading program shall be subject to criminal enforcement pursuant to the applicable state or federal law.

(c) No permit revision shall excuse any violation of the requirements of the NO_X budget trading program that occurs prior to the date that the revision takes effect.

(d) Each NO_X budget source and each NO_X budget unit shall meet the requirements of the NO_X budget trading program.

(e) Any provision of the NO_X budget trading program that applies to a NO_X budget source, including a provision applicable to the NO_X authorized account representative of a NO_X budget source, shall also apply to the owners and operators of the source and of the NO_X budget units at the source.

(f) Any provision of the NO_X budget trading program that applies to a NO_X budget unit, including a provision applicable to the NO_X authorized account representative of a NO_X budget unit, shall also apply to the owners and operators of the unit. Except with regard to the requirements applicable to units with a common stack under 40 CFR 75 and 326 IAC 10-4-12, the owners and operators and the NO_X authorized account representative of one (1) NO_X budget unit shall not be liable for any violation by any other NO_X budget unit of which they are not owners or operators or the NO_X authorized account representative and that is located at a source of which they are not owners or operators or the NO_X authorized account representative.

F.9 Effect on Other Authorities [326 IAC 10-4-4(g)]

No provision of the NO_X budget trading program, a NO_X budget permit application, a NO_X budget permit, or an exemption under 326 IAC 10-4-3 shall be construed as exempting or excluding the owners and operators and, to the extent applicable, the NO_X authorized account representative of a NO_X budget source or NO_X budget unit from compliance with any other provision of the applicable, approved state implementation plan, a federally enforceable permit, or the CAA.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

PART 70 OPERATING PERMIT
CERTIFICATION

Source Name: Indianapolis Power & Light Company - Petersburg Generating Station
Source Address: 6925 N. State Road 57, Petersburg, Indiana 47567
Mailing Address: P.O. Box 436, Petersburg, Indiana 46567
Part 70 Permit No.: T125-6565-00002

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:

9 Annual Compliance Certification Letter

9 Test Result (specify)

9 Report (specify)

9 Notification (specify)

9 Affidavit (specify)

9 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:

Telephone:

Date:

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

COMPLIANCE BRANCH
100 North Senate Avenue
Indianapolis, Indiana 46204-2251
Phone: 317-233-0178
Fax: 317-233-6865

PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT

Source Name: Indianapolis Power & Light Company - Petersburg Generating Station
Source Address: 6925 N. State Road 57, Petersburg, Indiana 47567
Mailing Address: P.O. Box 436, Petersburg, Indiana 46567
Part 70 Permit No.: T125-6565-00002

This form consists of 2 pages **Page 1 of 2**

9 This is an emergency as defined in 326 IAC 2-7-1(12)

X 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

X 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 Describe: 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: _____

Telephone: _____

A certification is not required for this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

PART 70 OPERATING PERMIT
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT

Source Name: Indianapolis Power & Light Company - Petersburg Generating Station
Source Address: 6925 N. State Road 57, Petersburg, Indiana 47567
Mailing Address: P.O. Box 436, Petersburg, Indiana 46567
Part 70 Permit No.: T125-6565-00002

Months:_____to_____Year: _____

This report shall be submitted quarterly based on a calendar year. For the purpose of this permit, Acalendar year@ means the twelve (12) month period from January 1 to December 31 inclusive. Any deviation from the requirements, 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 ANo deviations occurred this reporting period@.

9 NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.

9 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: ____________________

Telephone: ____________________

Attach a signed certification to complete this report.

Indiana Department of Environmental Management
Office of Air Quality

Addendum to the
Technical Support Document (TSD) for a
Part 70 Operating Permit

Source Background and Description

Source Name:	Indianapolis Power & Light Company - Petersburg Generating Station
Source Location:	6925 N. State Road 57, Petersburg, Indiana 47567
County:	Pike
SIC Code:	4911
Operation Permit No.:	T125-6565-00002
Permit Reviewer:	ERG/AO and ERG/YC

On September 8, 2004, the Office of Air Quality (OAQ) had a notice published in the Press-Dispatch, Petersburg, Indiana, stating that Indianapolis Power & Light Company - Petersburg Generating Station had applied for a Part 70 Operating Permit to operate a stationary electric utility generation station. The notice also stated that OAQ proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed.

On October 5, 2004, Bryan G. Tabler, on behalf of Indianapolis Power & Light Company - Petersburg Generating Station, submitted comments on the proposed Part 70 permit. Additional comments were submitted by Mr. Anthony C. Sullivan, on behalf of the Permittee, on August 3, 2006. The summary of the comments and any changes made as a result of the comments follows. New text is shown in bold font and deleted text is shown in strikeout font. The Table of Contents has been changed as necessary.

Comment 1:

Section A - Source Summary. This has several inaccuracies and should be rewritten as follows:

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)] [326 IAC 2-7-1(22)]

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

Responsible Official:	**Plant Manager** ~~Senior Vice President - Energy Supply~~
Source Address:	**6925 N.** State Road 57, Petersburg, Indiana 47567
Mailing Address:	**P.O. Box 436, Petersburg, Indiana 46567** ~~Indianapolis Power & Light Company, Attn. Anne Heighway, 1230 West Morris Street, Indianapolis, Indiana 46221~~
Source Telephone:	**(812) 354-8801** ~~(812) 354-7222~~
SIC Code:	4911
County Location:	Pike
Source Location Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program Major Source, under PSD Rules; Major Source, Section 112 of the Clean Air Act 1 of 28 Source Categories (Fossil Fuel-Fired Steam Electric

Plant of more than 250 MMBtu/hr heat input)

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

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

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour**.** ~~, using~~ **Unit 1 uses** an electrostatic precipitator**,** ~~and~~ FGD scrubber **(installed in 1996)** ~~as control~~, and low NO_X burner **(installed in 1995) as control,** ~~for NO_X reduction~~, and exhaust~~sing~~ to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour**.** ~~, using~~ **Unit 2 uses** an electrostatic precipitator**,** ~~and~~ FGD scrubber **(installed in 1996), selective catalytic reduction (installed in 2004)** ~~as control~~, and low NO_X burner **as control** ~~for NO_X reduction~~, and exhausting to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour**.** ~~,~~ **Unit 3 uses** an electrostatic precipitator, FGD scrubber and selective catalytic reduction **(installed in 2004)** as control, and exhaust~~sing~~ to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, **on which construction began** ~~constructed~~ in 1978 **and which began operation in 1986**, with a design capacity of 5550 MMBtu per hour**.** ~~,~~ **Unit 4 uses** an electrostatic precipitator**,** ~~and~~ FGD scrubber ~~as control~~, and low NO_X burner **(installed in 2001) as control,** ~~for NO_X reduction~~, and exhaust~~sing~~ to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(e) One (1) emergency diesel internal combustion engine/generator, identified as PB-2, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB2-1.

(f) One (1) emergency diesel internal combustion engine/generator, identified as PB-3, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB3-1.

(g) One (1) emergency diesel internal combustion engine/generator, identified as PB-4, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB4-1.

(h) Coal **handling facility**, ~~transfer operations,~~ identified as PB-45 "**System A"** ~~on units 1 and 2~~, constructed in 1963, ~~with a maximum throughput of 901.8 tons per hour, consisting of a bulk material conveyor to an outside storage pile, with an enclosure at the coal drop points for dust control.~~

(1) Train and truck unloading

(2) Move bulk materials - haul trucks, loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points

(5) Coal crushing with enclosures

(6) Free fall from overhead conveyor to outside pile

(7) Outside storage pile

(8) Reclaiming and loading

(9) Truck hauling on paved and unpaved roads

(i) Coal and limestone handling facility, identified as PB-48 "System B," constructed in 1973, consisting of the following operations:

(1) Train and truck unloading

(2) Move bulk materials - haul trucks, front end loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points

(5) Coal crushing with enclosures

(6) Limestone wet ball mill

(7) Outside storage pile

(8) Reclaiming and loading

(9) Truck hauling on paved and unpaved roads

(j) Limestone handling facility, identified as PB-65, constructed in 1993, consisting of the following operations:

(1) Truck unloading

(2) Move bulk materials - haul trucks, dozers, front end loaders, other heavy mobile equipment, etc.

(3) Outside storage pile

(4) Reclaiming and loading

(5) Transfer - hoppers, feeders, conveyors, silos, etc.

(6) Enclosures at drop points

(7) Baghouses on the silos

(8) Limestone wet ball mill

(9) Truck hauling on paved and unpaved roads

(k) FGD sludge (gypsum) handling facility, identified as PB-67, constructed in 1993, consisting of the following operations:

(1) Wet handling to dewatering process

(2) Transfer - hoppers, feeders, conveyors, etc.

(3) Enclosures at drop points

(4) Free fall from overhead conveyors to inside piles

(5) Inside and outside storage piles

(6) Loading

(7) Move bulk materials - haul trucks, front end loader, other heavy mobile equipment, etc.

(8) Truck hauling on paved and unpaved roads

(l) Ash and FGD sludge (filter cake) handling facility, identified as PB-51, consisting of the following operations:

Operations constructed in 1963:

(1) Wet process ash handling from Units 1 and 2 ash pond

Operations constructed in 1973 for Unit 3:

(2) Move bulk materials - haul trucks, front end loader, bulldozer, excavating, dredging, other heavy mobile equipment, etc.

(3) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(4) Enclosures at drop points

(5) Conveying dry fly ash to silos with baghouse

(6) Wet process ash handling from Unit 3 to ash pond and/or dewatering bins

(7) Free fall from overhead conveyor to outside pile

(8) Outside storage pile

(9) Landfill disposal facilities for Coal Combustion Products

(10) Truck and tanker loading
(11) Truck unloading

(12) Truck hauling on paved and unpaved roads

Operations constructed in 1973 and modified for Unit 4, upon which construction began in 1978 and which began operation in 1986:

(9) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(10) Enclosures at drop points

(11) Conveying dry fly ash to silos with baghouse

(12) Wet process ash handling from Unit 4 to ash pond and/or dewatering bins

~~(i) Coal unloading and storage operations on units 1 and 2, identified as PB-47, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of a haul truck, front end loader and bulldozer to an outside storage pile, with no dust control device.~~

~~(j) Coal crushing operations on units 3 and 4, identified as PB-48, constructed in 1973, with a maximum throughput of 901.8 tons per hour, with an enclosure for dust control.~~

~~(k) A limestone, gypsum and fly ash handling facility used with Units 1 and 2 FGD scrubbers, identified as PB-65, constructed in 1993, with a maximum limestone throughput of 102.7 tons per hour and a maximum combined gypsum and flyash throughput of 250.2 tons per hour, consisting of the following operations:~~

~~(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;~~

~~(2) Use of front end loader on limestone pile;~~

~~(3) Wind erosion of limestone pile;~~

~~(4) Dumping limestone or gypsum/fly ash into hopper;~~

~~(5) Transfer from hopper to conveyors and feeder;~~

~~(6) Transfer from feeder to silo and ballmill;~~

~~(7) Baghouses on the silos;~~

~~(8) Operation of a bulldozer; and~~

~~(9) Wet process ash handling, with ash stored in an ash pond.~~

~~(l) A limestone, gypsum and fly ash handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-43, constructed in 1973, with a maximum throughput of 22.8 tons per hour, consisting of the following operations:~~

~~(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;~~

~~(2) Use of front end loader on limestone pile;~~

~~(3) Wind erosion of limestone pile;~~
~~(4) Dumping limestone or gypsum/fly ash into hopper;~~

~~(5) Transfer from hopper to conveyors and feeder;~~

~~(6) Transfer from feeder to silo and ballmill;~~

~~(7) Baghouses on the silos;~~

~~(8) Operation of a bulldozer; and~~

~~(9) Wet process ash handling, with ash stored in an ash pond.~~

~~(m) Fly ash/FGD sludge handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-51, constructed in 1973, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:~~

~~(1) Conveying fly ash to silos with baghouse;~~

~~(2) Transfer from hoppers to screw conveyors, to feeders and to pugmill mixer;~~

~~(3) Free fall from overhead conveyor to pile;~~

~~(4) Wind erosion from pile;~~

~~(5) Use of front-end loader on pile;~~

~~(6) Truck hauling on paved & unpaved roads; and~~

~~(7) Wet process ash handling, with ash stored in an ash pond.~~

Response to Comment 1:

Low NOx burners are not considered control devices; instead, they are used to reduce the amount of NOx produced from fuel combustion and therefore serve as pollution prevention. As a result, they are better described as NOx reduction devices.

Note that the maximum throughputs have not been removed as indicated in Comment 1 mark-ups because the throughputs are included in the unit descriptions as descriptive information only.

The remainder of the requested changes have been made to correct unit descriptions and clarify operations. In addition, Pike County has been designated as non-attainment for PM2.5 in 70 FR 943 dated January 5, 2005. IDEM will use the PM10 nonattainment major NSR program as a surrogate to address the requirements of a nonattainment NSR for the PM2.5 NAAQS. Since the PTE of PM10 of this source is greater than 100 tons per year, the Permittee is a major source for PM2.5 under Emission Offset.

Therefore, Conditions A.1 and A.2 have been revised as follows to reflect the above changes:

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)] [326 IAC 2-7-1(22)]

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

Responsible Official:	**Plant Manager** ~~Senior Vice President - Energy Supply~~
Source Address:	**6925 N.** State Road 57, Petersburg, Indiana 47567
Mailing Address:	**P.O. Box 436, Petersburg, Indiana 46567** ~~Indianapolis Power & Light Company, Attn. Anne Heighway, 1230 West Morris Street, Indianapolis, Indiana 46221~~
Source Telephone:	**(812) 354-8801** ~~(812) 354-7222~~
SIC Code:	4911
County Location:	Pike
Source Location Status:	**Non-attainment for PM2.5** Attainment for all **other** criteria pollutants
Source Status:	Part 70 Permit Program Major Source, under PSD **and Nonattainment NSR** Rules~~;~~ Major Source, Section 112 of the Clean Air Act 1 of 28 Source Categories (Fossil Fuel-Fired Steam Electric Plant of more than 250 MMBtu/hr heat input)

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

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

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour**.**~~, using~~ **Unit 1 uses** an electrostatic precipitator**,** and FGD scrubber **(installed in 1996)** as control, and low NO_X burner **(installed in 1995)** for NO_X reduction, and exhaust~~sing~~ to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour**.** ~~, using~~ **Unit 2 uses** an electrostatic precipitator**,** ~~and~~ FGD scrubber **(installed in 1996), and selective catalytic reduction (installed in 2004)** as control, and low NO_X burner for NO_X reduction, and exhaust~~sing~~ to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour**.**~~,~~ **Unit 3 uses** an electrostatic precipitator, ~~FGD scrubber and~~ selective catalytic reduction **(installed in 2004) and an FGD scrubber** as control, and exhaust~~sing~~ to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, **on which construction began** ~~constructed~~ in 1978 **and which began operation in 1986**, with a design capacity of 5550 MMBtu per hour**.**~~,~~ **Unit 4 uses** an electrostatic precipitator and FGD scrubber as control, and low NO_X burner **(installed in 2001)** for NO_X reduction, and exhaust**s**~~ing~~ to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

. . .

(h) Coal **handling facility**, ~~transfer operations,~~ identified as PB-45 "**System A"** ~~on units 1 and 2~~, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of **the following operations:** ~~a bulk material conveyor to an outside storage pile, with an enclosure at the coal drop points for dust control.~~

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Free fall from overhead conveyor to outside pile.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads.

(i) Coal and limestone handling facility, identified as PB-48 "System B," constructed in 1973, with a maximum throughput of 901.8 tons per hour, consisting of the following operations:

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, front end loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Limestone wet ball mill.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads.

(j) Limestone handling facility, identified as PB-65, constructed in 1993, with a maximum throughput of 102.7 tons per hour, consisting of the following operations:

(1) Truck unloading.

(2) Move bulk materials - haul trucks, dozers, front end loaders, other heavy mobile equipment, etc.

(3) Outside storage pile.

(4) Reclaiming and loading.

(5) Transfer - hoppers, feeders, conveyors, silos, etc.

(6) Enclosures at drop points.

(7) Baghouses on the silos.

(8) Limestone wet ball mill.

(9) Truck hauling on paved and unpaved roads.

(k) FGD sludge (gypsum) handling facility, identified as PB-67, constructed in 1993, with a maximum throughput of 250.2 tons per hour, consisting of the following operations:

(1) Wet handling to dewatering process.

(2) Transfer - hoppers, feeders, conveyors, etc.

(3) Enclosures at drop points.

(4) Free fall from overhead conveyors to inside piles.

(5) Inside and outside storage piles.

(6) Loading.

(7) Move bulk materials - haul trucks, front end loader, other heavy mobile equipment, etc.

(8) Truck hauling on paved and unpaved roads.

(l) Ash and FGD sludge (filter cake) handling facility, identified as PB-51, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:

Operations constructed in 1963:

(1) Wet process ash handling from Units 1 and 2 ash pond.

Operations constructed in 1973 for Unit 3:

(2) Move bulk materials - haul trucks, front end loader, bulldozer, excavating, dredging, other heavy mobile equipment, etc.

(3) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(4) Enclosures at drop points.

(5) Conveying dry fly ash to silos with baghouse.

(6) Wet process ash handling from Unit 3 to ash pond and/or dewatering bins.

(7) Free fall from overhead conveyor to outside pile.

(8) Outside storage pile.

(9) Landfill disposal facilities for Coal Combustion Products.

(10) Truck and tanker loading.

(11) Truck unloading.

(12) Truck hauling on paved and unpaved roads.

Operations constructed in 1973 and modified for Unit 4:

(13) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(14) Enclosures at drop points.

(15) Conveying dry fly ash to silos with baghouse.

(16) Wet process ash handling from Unit 4 to ash pond and/or dewatering bins.

~~(i) Coal unloading and storage operations on units 1 and 2, identified as PB-47, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of a haul truck, front end loader and bulldozer to an outside storage pile, with no dust control device.~~

~~(j) Coal crushing operations on units 3 and 4, identified as PB-48, constructed in 1973, with a maximum throughput of 901.8 tons per hour, with an enclosure for dust control.~~

~~(k) A limestone, gypsum and fly ash handling facility used with Units 1 and 2 FGD scrubbers, identified as PB-65, constructed in 1993, with a maximum limestone throughput of 102.7 tons per hour and a maximum combined gypsum and flyash throughput of 250.2 tons per hour, consisting of the following operations:~~

~~(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;~~

~~(2) Use of front end loader on limestone pile;~~

~~(3) Wind erosion of limestone pile;~~

~~(4) Dumping limestone or gypsum/fly ash into hopper;~~

~~(5) Transfer from hopper to conveyors and feeder;~~

~~(6) Transfer from feeder to silo and ballmill;~~

~~(7) Baghouses on the silos;~~

~~(8) Operation of a bulldozer; and~~

~~(9) Wet process ash handling, with ash stored in an ash pond.~~

~~(l) A limestone, gypsum and fly ash handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-43, constructed in 1973, with a maximum throughput of 22.8 tons per hour, consisting of the following operations:~~

~~(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;~~

~~(2) Use of front end loader on limestone pile;~~

~~(3) Wind erosion of limestone pile;~~

~~(4) Dumping limestone or gypsum/fly ash into hopper;~~

~~(5) Transfer from hopper to conveyors and feeder;~~

~~(6) Transfer from feeder to silo and ballmill;~~

~~(7) Baghouses on the silos;~~

~~(8) Operation of a bulldozer; and~~

~~(9) Wet process ash handling, with ash stored in an ash pond.~~

~~(m) Fly ash/FGD sludge handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-51, constructed in 1973, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:~~

~~(1) Conveying fly ash to silos with baghouse;~~

~~(2) Transfer from hoppers to screw conveyors, to feeders and to pugmill mixer;~~

~~(3) Free fall from overhead conveyor to pile;~~

~~(4) Wind erosion from pile;~~

~~(5) Use of front-end loader on pile;~~

~~(6) Truck hauling on paved & unpaved roads; and~~

~~(7) Wet process ash handling, with ash stored in an ash pond.~~

Comment 2:

Condition B.10 - Preventive Maintenance Plan (PMP): IDEM should delete this provision. There is no direct statutory or regulatory authority, state or federal, for the PMP requirement. The requirement arises out of 326 IAC 1-6-1 et seq. That rule "applies to the owner or operator of any facility required to obtain a permit under 326 IAC 2-5.1 or 326 IAC 2-6.1." See 326 IAC 1-6-1. 326 IAC 2-5.1 applies to construction of "new sources" built after late 1998 and exempts "existing sources" operating pursuant to a permit issued under 326 IAC 2-6.1 or 2-7. See 326 IAC 2-5.1-1(2). So it does not apply to Petersburg Station. 326 IAC 2-6.1 (Minor Source Operating

Program) applies to sources in existence before December 25, 1998, that meet an applicability criterion in 326 IAC 2-5.1-3(a), "[e]xcept for sources required to have a Part 70 permit as described in 326 IAC 2-7-2…." 326 IAC 2-6.1-2. Thus, it does not apply to these units either.

PMPs are mentioned in 326 IAC 2-7-4(c), which requires that a Part 70 permit application confirm that the source maintains a PMP "as described in 326 IAC 1-6-3" to the extent necessary to determine:

(1) "applicable requirements including the requirement to pay fees,"

(2) "compliance with applicable requirements and this rule, and"

(3) "compliance during the term of the permit."

Since a PMP is not required for any of these purposes, 326 IAC 2-7-4(c)(9) did not require that the Petersburg application confirm that the source maintains a PMP.

Then 326 IAC 2-7-5(13) says that the permit should require the source to maintain on-site "the PMP required under section 4(c)(9) of this rule." Since section 4(c)(9) does not require a PMP for Petersburg, none is authorized to be required in the Permit.

Second, even if a PMP were required, it has never been the intent or the practice for the preventive maintenance requirements to apply to emission units. It is the intent of the rule to only apply to control devices. This is why the first section of 326 IAC 1-6-3 refers explicitly to "emission control devices."

Third, it is not within IDEM's authority for it to develop the plans and then impose them on the companies. On the contrary, the preventive maintenance plan regulations state that the "person responsible for operating [the subject facility] shall prepare and maintain a preventive maintenance plan." It is the source, not the regulatory agency, which is obligated to develop any necessary plans. IPL objects to the permit's prescriptive requirements such as time frames in which to conduct inspections and identification of devices to be checked. Essentially, IDEM is assuming control of these plans which is not within the scope of the regulations or within its authority.

The PMP requirement and every provision premised on that requirement should be removed from the Permit.

The Permittee also requested the inspection requirements in Conditions D.2.18 and D.5.9 be removed (see Comments 45 and 65).

Response to Comment 2:

The Preventive Maintenance Plan requirement must be included in every applicable Part 70 permit pursuant to 326 IAC 2-7-5(13). This rule refers back to the Preventive Maintenance Plan requirement found in 326 IAC 1-6-3. This Preventive Maintenance Plan rule sets out the requirements for:

(1) Identification of the individuals responsible for inspecting, maintaining and repairing the emission control equipment (326 IAC 1-6-3 (a)(1)),

(2) The description of the items or conditions in the facility that will be inspected and the inspection schedule for said items or conditions (326 IAC 1-6-3(a)(2)), and

(3) The identification and quantification of the replacement parts for the facility which the Permittee will maintain in inventory for quick replacement (326 IAC 1-6-3 (a)(3)).

It is clear from the structure of 326 IAC 1-6-3 that the PMP requirement affects the entirety of the applicable facilities. Only 326 IAC 1-6-3(a)(1) is limited, in that it requires identification of the personnel in charge of only the emission control equipment, and not any other facility equipment.

Also, 326 IAC 1-6-3(b) provides that "...as deemed necessary by the commissioner, any person operating a facility shall comply with the requirements of subsection (a) of this section."

Many types of facilities require maintenance in order to prevent excess emissions. In addition to preventive maintenance performed on the control devices, preventive maintenance should be performed on the boilers themselves because lack of proper maintenance for the boiler can result in boiler tube leaks or improper burner air settings, which can result in increased emissions.

However, upon further review, IDEM has determined that it is not necessary to include a condition requiring a preventive maintenance plan in each individual Section D of the permit. Rather, a general condition will be placed in Section B of the permit, which will apply to the entire source. IDEM has determined that it is the Permittee's responsibility to include routine control device inspection requirements in the applicable preventive maintenance plan. Since the Permittee is in the best position to determine the appropriate frequency of control device inspections and the details regarding which components of the control device should be inspected, the conditions requiring control device inspections have been removed from the permit. Therefore, the Preventive Maintenance Plan and inspection requirements in Conditions D.1.6, D.1.17, D.2.7, D.2.18, D.4.2, D.5.5, and D.5.9, and the corresponding recordkeeping requirements have been removed from the permit.

Additionally, IDEM has determined that the Permittee is not required to keep records of all preventive maintenance. However, where the Permittee seeks to demonstrate that an emergency has occurred, the Permittee must provide, upon request, records of preventive maintenance in order to establish that the lack of proper maintenance did not cause or contribute to the deviation. Therefore, Conditions B.10 - Preventive Maintenance and B.11 - Emergency Provisions have been revised as follows:

B.10 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)] [326 IAC 1-6-3]

(a) ~~If required by specific condition(s) in Section D of this permit, t~~**T**he Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, ~~including the following information on each facility~~ **for the source as described in 326 IAC 1-6-3. At a minimum, the PMP shall include**:

. . .

~~(b) The Permittee shall implement the PMPs, including any required record keeping as necessary to ensure that failure to implement a PMP does not cause or contribute to an exceedance of any limitation on emissions or potential to emit.~~

~~(c)~~ **(b)** A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, 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 or potential to emit. The ~~submittal of the~~ PMP**s** ~~and the PMP extension notification does~~ not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

~~(d)~~ **(c)** 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]

. . .

(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)(9) be revised in response to an emergency.

. . .

~~D.1.6 Preventive Maintenance Plan [326 IAC 2-7-5(13)]~~

~~(a) A Preventive Maintenance Plan (PMP), in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and their emission control devices.~~

~~(b) The PMP for an electrostatic precipitator shall include the following inspections, performed according to the indicated schedules:~~

~~(1) Plate and electrode alignment, every major maintenance outage, but no less than every 2 years;~~

~~(2) ESP TR set components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed within the last six months. At a minimum, the following inspections shall be performed:~~

~~(A) Internal inspection of shell for corrosion (including but not limited to doors, hatches, insulator housings, and roof area).~~

~~(B) Effectiveness of rapping (including but not limited to buildup of dust on discharge electrodes and plates).~~

~~(C) Gas distribution (including but not limited to buildup of dust on distribution plates and turning vanes).~~

~~(D) Dust accumulation (including but not limited to buildup of dust on shell and support members that could result in grounds or promote advanced corrosion).~~

~~(E) Major misalignment of plates (including but not limited to a visual check of plate alignment).~~

~~(F) Rapper, vibrator and TR set control cabinets (including but not limited to motors and lubrication).~~

~~(G) Rapper assembly (including but not limited to loose bolts, ground wires, water in air lines, and solenoids).~~

~~(H) Vibrator and rapper seals (including but not limited to air in-leakage, wear, and deterioration).~~

~~(I) TR set controllers (including but not limited to low voltage trip point, over current trip point, and spark rate).~~

~~(J) Vibrator air pressure settings.~~

~~(3) Air and water infiltration, once per month. The recommended method for this inspection is for audible checks around ash hoppers/hatches, duct expansion joints, and areas of corrosion.~~

~~(4) Flue gas conditioning system (FGCS) components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed within the last six months.~~

~~D.1.17 Scrubber Inspection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]~~

~~(a) An inspection of the scrubber shall be performed at least once every two years, in accordance with the Preventive Maintenance Plan prepared in accordance with Section B - Preventive Maintenance Plan. Defective parts shall be replaced. A record shall be kept of the results of the inspection and the part(s) replaced.~~

~~(b) Inspections shall be made whenever there is an outage of any nature lasting more than three days unless such measurements have been taken within the past twelve months.~~

~~(c) Reasonable response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports for any improper or abnormal conditions found during an inspection. Discovery of an abnormal or improper condition is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.~~

~~D.2.7 Preventive Maintenance Plan [326 IAC 2-7-5(13)]~~

~~(a) A Preventive Maintenance Plan (PMP), in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and their emission control devices.~~

~~(b) The PMP for an electrostatic precipitator shall include the following inspections, performed according to the indicated schedules:~~

~~(1) Plate and electrode alignment, every major maintenance outage, but no less than every 2 years;~~

~~(2) ESP TR set components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed within the last six months. At a minimum, the following inspections shall be performed:~~

~~(A) Internal inspection of shell for corrosion (including but not limited to doors, hatches, insulator housings, and roof area).~~

~~(B) Effectiveness of rapping (including but not limited to buildup of dust on discharge electrodes and plates).~~

~~(C) Gas distribution (including but not limited to buildup of dust on distribution plates and turning vanes).~~

~~(D) Dust accumulation (including but not limited to buildup of dust on shell and support members that could result in grounds or promote advanced corrosion).~~

~~(E) Major misalignment of plates (including but not limited to a visual check of plate alignment).~~

~~(F) Rapper, vibrator and TR set control cabinets (including but not limited to motors and lubrication).~~

~~(G) Rapper assembly (including but not limited to loose bolts, ground wires, water in air lines, and solenoids).~~

~~(H) Vibrator and rapper seals (including but not limited to air in leakage, wear, and deterioration).~~

~~(I) TR set controllers (including but not limited to low voltage trip point, over current trip point, and spark rate).~~

~~(J) Vibrator air pressure settings.~~

~~(3) Air and water infiltration, once per month. The recommended method for this inspection is for audible checks around ash hoppers/hatches, duct expansion joints, and areas of corrosion.~~

~~(4) Flue gas conditioning system (FGCS) components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed within the last six months.~~

~~D.2.18 Scrubber Inspection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]~~

~~(a) An inspection of the scrubber shall be performed at least once every two years, in accordance with the Preventive Maintenance Plan prepared in accordance with Section B - Preventive Maintenance Plan. Defective parts shall be replaced. A record shall be kept of the results of the inspection and the part(s) replaced.~~

~~(b) Inspections shall be made whenever there is an outage of any nature lasting more than three days unless such measurements have been taken within the past twelve months.~~

~~(c) Reasonable response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports for any improper or abnormal conditions found during an inspection. Discovery of an abnormal or improper condition is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.~~

~~D.4.2 Preventive Maintenance Plan [326 IAC 2-7-5(13)]~~

~~A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and any control devices.~~

~~D.5.5 Preventive Maintenance Plan [326 IAC 2-7-5(13)]~~

~~A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and their emission control devices.~~

~~D.5.9 Baghouse Inspections [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]~~

~~(a) An inspection shall be performed each calendar quarter of all bags controlling particulate emissions from the limestone/fly ash/gypsum handling facilities (PB-65, PB-51 and PB-67). Inspections required by this condition shall not be performed in consecutive months. All defective bags shall be replaced.~~

~~(b) If an abnormal or improper condition is found during an inspection, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Discovery of an abnormal or improper condition is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.~~

Comment 3:

Condition B.11(h) - Emergency Provisions: This should be revised to read as follows:

(h) The Permittee shall include all emergencies **that cause exceedance of an emission limitation under this Permit** in the Quarterly Deviation and Compliance Monitoring Report.

Response to Comment 3:

According to the definition in 326 IAC 2-7-1(12), an emergency is defined as “any situation arising from sudden and unforeseeable events beyond the reasonable control of the source that causes an exceedance of an emission limit.” Therefore, it is redundant to add the suggested language in Condition B.11(h). No change has been made as a result of this comment.

Comment 4:

Condition B.24 - Credible Evidence: This provision should be deleted from the Permit because IDEM has no authority to impose it.

Response to Comment 4:

IDEM does have the authority to impose the requirement in this condition pursuant to 326 IAC 1-1-6 (Credible Evidence). Therefore, no changes were made to the permit as a result of this comment.

Comment 5:

Condition C.1 - Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour

Subsection (a) should be deleted because 326 IAC 6-1 does not apply in Pike County. Subsection (b) should be deleted because manufacturing processes do not occur at the source. 326 IAC 6-3 applies only to manufacturing, not to electric generating stations.

Response to Comment 5:

326 IAC 6-3-2 applies to particulate emissions from manufacturing processes located anywhere in the state. Pursuant to 326 IAC 6-3-1.5, manufacturing process means any single or series of actions, operations, or treatments in which a mechanical, physical, or chemical transformation of material occurs that emits, or has the potential to emit, particulate in the production of the product. The term includes transference, conveyance, or repair of a product. The coal, limestone and gypsum handling operations qualify as manufacturing processes under this definition. This condition specifically requires any additional processes, at any given source, whether insignificant or not, which operate at a maximum process weight rate of less than 100 pounds per hour, to comply with the stated limit regarding particulate matter emissions.

In addition, the 326 IAC 6-3 revisions that became effective on June 12, 2002 were approved into the State Implementation Plan on September 23, 2005. These rules replace the previous version of 326 IAC 6-3 (Process Operations) that had been part of the SIP; therefore the requirements of the previous version of 326 IAC 6-3-2 are no longer applicable to this source. Condition C.1 has been revised to remove (a) which contained these requirements, and since the requirements of the 326 IAC 6-3-2(d) that were effective June 12, 2002 are now federally enforceable, the last statement in C.1(b) has been removed.

Therefore, Condition C.1 has been revised as follows to reflect the above changes:

C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour ~~[40 CFR 52 Subpart P]~~ [326 IAC 6-3-2]

~~(a) Pursuant to 40 CFR 52 Subpart P, particulate matter emissions from any process not already regulated by 326 IAC 6-1 or any New Source Performance Standard, and which has a maximum process weight rate less than 100 pounds per hour shall not exceed 0.551 pounds per hour.~~

~~(b)~~ 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. ~~This condition is not federally enforceable.~~

Comment 6:

Condition C.6 - Fugitive Particulate Matter Emission Limitations: It is not clear that this rule applies to the source. Moreover, IPL requests that the second sentence of this section be deleted, because IPL should be allowed to amend its fugitive dust plan without undergoing the permit modification process.

Response to Comment 6:

As explained in the Technical Support Document, the source is subject to the requirements of 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations) because it emits fugitive particulate matter and did not receive all necessary pre-construction approvals before December 13, 1985. Pursuant to this rule, the source shall control fugitive emissions according to the Fugitive Dust Control Plan (FDCP) submitted on November 18, 1991, which is included in the permit as Appendix D. In addition, 326 IAC 6-5-7(f) requires IDEM to include the Fugitive Particulate Emission Plan in the operating permit. Therefore, the last sentence of Condition C.6 cannot be deleted as requested by the Permittee. The Permittee may amend the plan at any time but should submit an application to IDEM requesting that the permit be updated to include the revised plan.

No changes were made to the permit as a result of this comment.

Comment 7:

Condition C.7 - Motor Vehicle Fugitive Dust Sources: This provision should be deleted, because it does not apply to the source, but expressly applies to vehicles on public streets. IDEM has authority to permit the Petersburg Generating Station stationary source, but is without authority to regulate under a Part 70 operating permit vehicle traffic on public streets.

Response to Comment 7:

Pursuant to 326 IAC 2-7-5, IDEM must include all applicable requirements in a Part 70 permit. IDEM has included Condition C.7 because 326 IAC 6-4 is an applicable requirement. Therefore, no change has been made as a result of this comment.

Comment 8:

Condition C.12 - Compliance Monitoring: Please change the deadline for implementation from 90 to 180 days.

Response to Comment 8:

Ninety days is believed to be generally adequate to install any required monitoring equipment that is not already present. Note that this refers only to monitoring equipment, such as a pressure gauge, not to control equipment. The condition also contains a provision that, if due to circumstances beyond its control, this schedule cannot be met, the Permittee may extend the compliance schedule an additional ninety (90) days by notifying IDEM and providing a full justification of the reasons for delaying implementation. No changes were made to the permit as a result of this comment.

Comment 9:

Condition C.13 - Maintenance of Continuous Opacity Monitoring Equipment: IPL believes that IDEM is without authority to include subsection (d) in the Permit. IPL requests that subsection (d) be deleted in its entirety.

Response to Comment 9:

The Permittee is required to certify continuous compliance with all conditions of the permit. The Permittee must have sufficient information available in order to be able to certify continuous compliance. If the COMS fails and the Permittee does not perform any supplemental monitoring during the period of time when the COMS is not operating, there will not be sufficient information available for the Permittee to be able to certify continuous compliance during that time period. Therefore, the permit must include a requirement to perform supplemental monitoring whenever the COMS is not in operation and the emission unit is in operation.

IDEM has determined that no additional monitoring will be required during COM downtime, until the COM has been down for twenty-four (24) hours. This allows the Permittee to focus on the task of repairing the COM during the first twenty-four (24) hour period. After twenty-four (24)

hours of COM downtime, the Permittee will be required to conduct Method 9 readings for thirty (30) minutes. Once Method 9 readings are required to be performed, the readings should be performed twice per day at least 4 hours apart, until the COMS is back in service. Therefore, Condition C.13, D.1.19(a), and D.2.21(a) have been revised as follow:

C.13 Maintenance of Continuous Opacity Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

(a) The Permittee shall **install,** 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 ~~continuous opacity monitoring systems~~ **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 ~~continuous opacity monitoring system~~ **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 ~~continuous opacity monitor (~~COM**S**~~)~~ is malfunctioning or ~~will be~~ **is** down for ~~calibration,~~ maintenance~~,~~ or repairs for a period of ~~one (1)~~ **twenty-four (24)** hour**s** or more~~,~~ **and a backup COMS is not online within twenty-four (24) hours of shutdown or malfunction of the primary COMS** ~~compliance with the applicable opacity limits shall be demonstrated by the following~~:

~~(1) Visible emission (VE) notations shall be performed once per hour during daylight operations following the shutdown or malfunction of the primary COM. A trained employee shall record whether emissions are normal or abnormal for the state of operation of the emission unit at the time of the reading.~~

~~(A) 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.~~

~~(B) If abnormal emissions are noted during two consecutive emission notations, the Permittee shall begin Method 9 opacity observations within four hours of the second abnormal notation.~~

~~(C) VE notations may be discontinued once a COM is online or formal Method 9 readings have been implemented.~~

~~(2) If a COM is not online within twenty-four (24) hours of shutdown or malfunction of the primary COM, t~~**T**he Permittee shall provide **a** certified opacity reader~~(s)~~, who may be **an** employee~~s~~ of the Permittee or **an** independent contractor~~s~~, to self-monitor the emissions from the emission unit stack.

(~~A~~**1**) 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.

(~~B~~**2**) Method 9 opacity readings shall be repeated for a minimum of five (5) consecutive six (6) minute averaging periods at least ~~once every four (4) hours~~ **twice per day** during daylight operations, **with at least four (4) hours between each set of readings,** until ~~such time that~~ a COM**S** is ~~in operation~~ **online**.

(~~C~~**3**) Method 9 readings may be discontinued once a COM**S** is online.

(~~D~~**4**) Any opacity exceedances determined by Method 9 readings shall be reported with the Quarterly Opacity Exceedances Reports.

~~(3) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of abnormal emissions that do not violate an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit~~.

. . .

D.1.~~19~~**13** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.1.~~2~~**1**, D.1.~~3~~**2**, D.1.~~15~~**10** and D.1.~~16~~**11**, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity, Condition D.1.~~2~~**1** and Condition D.1.~~3~~**2**:

. . .

(3) The results of all ~~visible emission (VE) notations and~~ Method 9 visible emission readings taken during any periods of COM**S** downtime.

. . .

D.2.~~20~~**15** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.2.2, D.2.3, D.2.4, D.2.~~13~~**10**, and D.2.~~17~~**13**, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Conditions D.2.2, D.2.3 and D.2.4:

. . .

(3) The results of all ~~visible emission (VE) notations and~~ Method 9 visible emission readings taken during any periods of COM**S** downtime.

. . .

Comment 10:

Condition C.15 - Pressure Gauge and Other Instrument Specifications: IPL respectfully submits that IDEM is without authority to impose this condition and requests that it be deleted.

Response to Comment 10:

A number of conditions in this permit require the Permittee to regularly measure the operating parameters of certain control devices. Since the measurements are used to determine whether the control devices are operating within the normal range, adequate instruments must be used. The authority for this condition is provided in 326 IAC 2-1.1-11, 326 IAC 2-7-5(3) and 326 IAC 2-7-6(1).

However, IDEM realizes that these specifications can only be practically applied to analog units, and has therefore clarified the condition to state that the condition only applies to analog units. Upon further review, IDEM has also determined that the accuracy of the instruments is not nearly as important as whether the instrument has a range that is appropriate for the normal expected reading of the parameter. Therefore, the accuracy requirements have been removed from the condition. Condition C.15 has been revised as follows:

C.15 ~~Pressure Gauge and Other~~ Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

(a) ~~Whenever a condition in this permit requires the measurement of pressure drop across any part of the unit or its control device, the gauge employed~~ **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 ~~normal~~ **maximum** reading **for the normal range** shall be no less than twenty percent (20%) of full scale**.** ~~and be accurate within plus or minus two percent (2%) of full scale reading.~~

~~(b) Whenever a condition in this permit requires the measurement of a voltage, current, temperature or flow rate, the instrument employed shall have a scale such that the expected normal reading shall be no less than twenty percent (20%) of full scale and be accurate within plus or minus two percent (2%) of full scale reading.~~

(~~c~~**b**) The Permittee may request **that** the IDEM, OAQ approve the use of ~~a pressure gauge or other~~ **an** instrument that does not meet the above specifications provided the Permittee can demonstrate **that** an alternative ~~pressure gauge or other~~ instrument specification will adequately ensure compliance with permit conditions requiring the measurement of **the** ~~pressure drop or other~~ parameters.

Comment 11:

Condition C.18 - Compliance Response Plan - Preparation, Implementation, Records, and Reports: IDEM is not authorized to impose a requirement to develop and implement a "compliance response plan," and this condition should be deleted. There is no requirement in the Indiana regulations or statutes that a source develop a "compliance response plan." On the contrary, that term is not defined anywhere. "Title V does not impose substantive new requirements," but instead requires that all the "applicable requirements" be consolidated into one document-the Part 70 Operating Permit. See New York Public Interest Research Group v. Whitman, 321 F.3d 316, 320 (2d Cir. 2003); (see also the EPA statement in the Federal Register with respect to Indiana's Part 70 program: "Applicable requirements must exist independently of title V permits... [T]itle V authority cannot modify existing applicable requirements." 67 Fed. Reg. 34,844, 34,847 (May 16, 2002).

It is also important to note that IDEM is not authorized to create requirements out of whole cloth. As an agency of state government, IDEM has only the powers expressly conferred by statute. The authority of the State to engage in administrative action is limited to that which is granted by statute.

Charles A. Beard Classroom Teachers Ass'n v. Bd. of School Trustees, 668 N.E.2d 1222, 1224 (Ind. 1996).

A keystone of administrative law is the proposition that an administrative agency has no powers, which are not expressly or impliedly granted by statute. Gordon v. Review Bd. of Indiana Employment Sec. Division, (1981) Ind. App., 426 N.E.2d 1364; Indiana State Bd., etc. v. Keller, (1980) Ind., 409 N.E.2d 583. All doubtful claims to a power claimed by a governmental agency must be resolved against the agency. Indiana Civil Rights Commission v. Holman, (1978) 177 Ind.App. 648, 380 N.E.2d 1281; Monon Railroad Company v. Citizens of Sherwood Forest, Marion County, (1969) 146 Ind.App. 620, 257 N.E.2d 846; Good v. Western Pulaski County School Corp., (1965) 139 Ind.App. 567, 210 N.E.2d 100. The administrative agency can only exercise its powers in conformity with the statutes. Boone County Rural Elec. Membership Corp. v. Public Service Commission of Ind., (1958) 129 Ind.App. 175, 155 N.E.2d 149.

Indiana State Bd. of Embalmers v. Kaufman, 463 N.E.2d 513, 521-22 (Ind. Ct. App. 1984).

As a result, this condition, and all related references, should be deleted. If this condition is retained despite its unauthorized nature, a source should not be found in violation if it fails to follow such a plan because every eventuality cannot be predicted in advance. In addition, IPL would strongly object to any restriction on when response steps can be taken, and it requests a modification to Condition C.18(b)(3) to ensure that IPL is not required to coordinate response steps around IDEM's schedule. We recommend that if Condition C.18 is retained, the following sentence should be added to Condition C.18(b)(3):

Such response steps may be scheduled at the complete discretion of the Permittee and do not need the presence of IDEM observers.

Response to Comment 11:

IDEM has reconsidered the requirement to develop and follow a Compliance Response Plan. The Permittee will still be required to take reasonable response steps when a compliance monitoring parameter is determined to be out of range or abnormal. Replacing the requirement to develop and follow a Compliance Response Plan with a requirement to take reasonable response steps will ensure that the control equipment is returned to proper operation as soon as practicable, while still allowing the Permittee the flexibility to respond to situations that were not anticipated. Therefore, the Section D conditions that refer to this condition have been revised to reflect the new condition title, and the following changes have been made to Condition C.18:

C.18 ~~Compliance Response Plan Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances** [326 IAC 2-7-5] [326 IAC 2-7-6]

~~(a) The Permittee is required to prepare a Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. If a Permittee is required to have an Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan under 40 CFR 63, such plans shall be deemed to satisfy the requirements for a CRP for those compliance monitoring conditions. A CRP shall be submitted to IDEM, OAQ upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and comprised of:~~

~~(1) Reasonable response steps that may be implemented in the event that a response step is needed pursuant to the requirements of Section D of this permit; and an expected timeframe for taking reasonable response steps.~~

~~(2) If, at any time, the Permittee takes reasonable response steps that are not set forth in the Permittee=s current Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan to include such response steps taken.~~

~~The OMM Plan or Parametric Monitoring and SSM Plan shall be submitted within the time frames specified by the applicable 40 CFR 63 requirement.~~

~~(b) For each compliance monitoring condition of this permit, reasonable response steps shall be taken when indicated by the provisions of that compliance monitoring condition as follows:~~

~~(1) Reasonable response steps shall be taken as set forth in the Permittee=s current Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan; or~~

~~(2) If none of the reasonable response steps listed in the Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan is applicable or responsive to the excursion, the Permittee shall devise and implement additional response steps as expeditiously as practical. Taking such additional response steps shall not be considered a deviation from this permit so long as the Permittee documents such response steps in accordance with this condition.~~

~~(3) If the Permittee determines that additional response steps would necessitate that the emissions unit or control device be shut down, and it will be ten (10) days or~~

~~more until the unit or device will be shut down, then the Permittee shall promptly notify the IDEM, OAQ of the expected date of the shut down. The notification shall also include the status of the applicable compliance monitoring parameter with respect to normal, and the results of the response actions taken up to the time of notification.~~

~~(4) Failure to take reasonable response steps shall be considered a deviation from the permit.~~

~~(c) The Permittee is not required to take any further response steps for any of the following reasons:~~

~~(1) A false reading occurs due to the malfunction of the monitoring equipment and prompt action was taken to correct the monitoring equipment.~~

~~(2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for a minor permit modification to the permit, and such request has not been denied.~~

~~(3) An automatic measurement was taken when the process was not operating.~~

~~(4) The process has already returned or is returning to operating within Anormal@ parameters and no response steps are required.~~

~~(d) When implementing reasonable steps in response to a compliance monitoring condition, if the Permittee determines that an exceedance of an emission limitation has occurred, the Permittee shall report such deviations pursuant to Section B-Deviations from Permit Requirements and Conditions.~~

~~(e) The Permittee shall record all instances when, in accordance with Section D, response steps are taken. In the event of an emergency, the provisions of 326 IAC 2-7-16 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.~~

~~(f) Except as otherwise provided by a rule or provided specifically in Section D, all monitoring as required in Section D shall be performed when the emission unit is operating, except for time necessary to perform quality assurance and maintenance activities.~~

(a) Upon detecting an excursion or exceedance, the Permittee shall restore operation of the emissions unit(s) (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 emissions.

(b) 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). Corrective actions may include, but are not limited to, the following:

(1) initial inspection and evaluation;

(2) recording that operations returned 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 within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable.

(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

(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 maintain the following records:

(1) monitoring data;

(2) monitor performance data, if applicable; and

(3) corrective actions taken.

Comment 12:

Section D.1 - Facility Description Box: This should parallel the description of Boilers 1 and 2 set out in Comment 1.

Response to Comment 12:

The following changes were made to the permit in response to this comment:

SECTION D.1 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Boilers 1 and 2

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour**.** ~~, using~~ **Unit 1 uses** an electrostatic precipitator**,** and FGD scrubber **(installed in 1996)** as control, and low NO_X burner **(installed in 1995)** for NO_X reduction, and exhaust~~sing~~ to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour**.** ~~, using~~ **Unit 2 uses** an electrostatic precipitator**,** ~~and~~ FGD scrubber **(installed in 1996), and selective catalytic reduction (installed in 2004)** as control, and low NO_X burner for NO_X reduction, and exhaust~~sing~~ to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

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

Comment 13:

Condition D.1.1 - Prevention of Significant Deterioration (PSD): The limit on heat input has no basis in law and should be deleted. The rated capacity of Boilers 1 and 2 is not subject to any PSD limitations because neither is a PSD unit. The heat input design capacity of the Boilers is descriptive only. Moreover, the units now have FGD systems and Unit 2 has SCR.

Response to Comment 13:

IDEM agrees that there is no regulatory basis for the heat input capacity limit in this case. The following changes were made as a result of this comment (all other conditions in Section D.1 have been renumbered accordingly):

~~D.1.1 Prevention of Significant Deterioration (PSD) [326 IAC 2-2]~~

~~Pursuant to OP 63-02-90-0068 and OP 63-02-90-0069, issued on January 18, 1988, the combined rate of heat input for Units 1 and 2 shall not exceed a total of 6,344 MMBtu per hour.~~

Comment 14:

Condition D.1.3(a)(1) (Temporary Alternative Opacity Limitations. The first paragraph should be revised to read as follows:

(1) When building a new fire in a boiler, opacity may exceed the 40% opacity limitation for a total of four (4) hours (forty (40) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature **entering the ESP** reaches two hundred eighty five (285) degrees Fahrenheit, whichever occurs first.

Response to Comment 14:

In order to reflect the language in 326 IAC 5-1-3(e) correctly, Condition D.1.3 has been revised as follows:

D.1.2 ~~Temporary Alternative Opacity Limitations~~ **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 Units 1 and 2:

(1) When building a new fire in a boiler, opacity may exceed the ~~40% opacity~~ **applicable** limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of four (4) hours (forty (40) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature **entering the ESP** reaches two hundred ~~eighty five (285)~~ **and fifty (250)** degrees Fahrenheit **at the inlet of the electrostatic precipitator**, whichever occurs first.

For Unit 1, compliance with the opacity limit is determined by adding the Unit 1 Scrubbed and Unit 1 Bypass stacks' opacity exceedances during the startup period. For Unit 2, compliance with the opacity limit is determined by adding the Unit 2 Scrubbed and Unit 2 Bypass stacks' opacity exceedances during the startup period.

(2) When shutting down a boiler, opacity may exceed the ~~40% opacity~~ **applicable** limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

. . .

Comment 15:

Condition D.1.5 - Operation Standards: This provision should be deleted in its entirety because it has no legal basis.

Response to Comment 15:

Upon further review, IDEM has determined that Conditions D.1.5, D.1.14, D.2.6, and D.2.16 do not need to be included in the permit, since they are each regulated by other agencies. Therefore, these conditions have been removed from the permit:

~~D.1.5 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]~~

~~(a) All coal burned, including coal treated with any additive, shall meet American Standards for Testing and Materials (ASTM) specifications for classification as coal (ASTM D388).~~

~~(b) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in these facilities without a Resource Conservation and Recovery Act (RCRA) permit. Any boiler tube chemical cleaning waste liquids evaporated in the boiler, and any binding agent or used oil combusted shall meet the toxicity characteristic requirements for non-hazardous waste. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~(c) Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall only contain the cleaning solution and no more than two full volume boiler rinses.~~

~~D.1.14 Cleaning Waste Characterization [326 IAC 2-1.1-5(a)(4)] [40 CFR 261]~~

~~The Permittee shall use appropriate methodology as identified in 40 CFR Part 261 to characterize all boiler chemical cleaning wastes that will be evaporated, to determine compliance with the Operation Standards condition in this D section. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~D.2.6 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]~~

~~(a) All coal burned, including coal treated with any additive, shall meet ASTM specifications for classification as coal (ASTM D388).~~

~~(b) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in these facilities. Any boiler tube chemical cleaning waste liquids evaporated in the boiler, and any binding agent or used oil combusted shall meet the toxicity characteristic requirements for non-hazardous waste. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~(c) Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall only contain the cleaning solution and no more than two full volume boiler rinses.~~

~~D.2.16 Cleaning Waste Characterization [326 IAC 2-1.1-5(a)(4)] [40 CFR 261]~~

~~The Permittee shall use appropriate methodology as identified in 40 CFR Part 261 to characterize all boiler chemical cleaning wastes that will be evaporated, to determine compliance with the Operation Standards condition in this D section. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

Comment 16:

Condition D.1.6 - Preventive Maintenance Plan: This entire provision should be deleted for the reasons stated in Comment 2.

Response to Comment 16:

This condition has been removed in the response to Comment 2.

Comment 17:

Condition D.1.8 - Sulfur Dioxide Control: This provision should be deleted, because IDEM has no authority to compel IPL to operate the FGD systems on Units 1 and 2. Installation of these scrubbers was completely voluntary on the part of IPL, and they are not necessary to meet any applicable emission limitation.

Response to Comment 17:

For clarification purposes, Condition D.1.8 has been revised as follows to state that the Permittee shall operate the FGD systems as needed to comply with the SO_2 emission limits:

D.1.~~8~~**5** Sulfur Dioxide Control

Except as otherwise provided by statute or rule or in this permit ~~In order to comply with Condition D.1.3~~, the FGD scrubbers for SO_2 control shall be in operation **as needed to maintain compliance with all applicable SO_2 limits** ~~and control emissions from Units 1 and 2 at all times that the respective facilities are in operation~~.

Comment 18:

Condition D.1.9 - Testing Requirements: Particulate testing on these units was last performed in September 2004. Therefore, it would be appropriate to change the date for the next set of tests from twelve months after issuance of this Part 70 permit to 24 months after issuance of this Part 70 permit.

Response to Comment 18:

Testing shall be performed no later than two (2) years following the most recent stack test and shall be repeated every two (2) years. The following change was made to clarify the time by which the Permittee must complete the testing.

D.1.~~9~~**6** Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

In order to demonstrate compliance with Condition D.1.~~2~~**1**, the Permittee shall perform PM testing for Units 1 and 2, utilizing methods as approved by the Commissioner, no later than ~~twelve (12) months after the issuance of this Part 70 permit~~ **September 30, 2006**. This test shall be repeated at least once every two ~~and a half~~ (2.~~5~~) years following this valid compliance demonstration. Testing shall be conducted in accordance with Condition C- Performance Testing.

Comment 19:

Condition D.1.10 - Fuel Sampling and Analysis: This Condition is premised on Condition D.1.1. Since that provision is unlawful and should be deleted, so should Condition D.1.10. If for any reason Condition D.1.10 should remain in the permit, it should be revised to provide that, at IPL's option, the heat content of the coal combusted in the boilers may be determined by CEM data. We note that the required statement of authority of this provision is absent from the draft permit.

Response to Comment 19:

IDEM agrees that since Condition D.1.1 has been removed, Condition D.1.10 is no longer necessary or applicable. The following changes were made as a result of this comment (all other conditions will be renumbered accordingly):

~~D.1.10 Fuel Sampling and Analysis~~

~~In order to demonstrate compliance with Condition D.1.1, the Permittee shall sample and analyze the coal combusted in order to determine its heat content.~~

Comment 20:

Condition D.1.11(c) - Continuous Emission Monitoring: This provision should be revised to read as follows:

(c) All CEMs are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3 **as required by this Permit**.

Response to Comment 20:

As stated in the Technical Support Document, pursuant to 326 IAC 3-5-1(b)(2), Units 1, 2, 3 and 4 are subject to the requirements of 326 IAC 3-5 because they are each a fossil fuel-fired steam generator of greater than 100 MMBtu per hour heat input capacity.

All of the provisions and requirements of 326 IAC 3-5 are not specifically included in this permit. Therefore, the suggested wording would inaccurately limit the certification requirements of the CEMS to only those limits identified in the permit. No changes were made to the permit as a result of this comment.

Comment 21:

Condition D.1.12(f) - Continuous Opacity Monitoring: When will EPA act on the SIP provision regarding alternative monitoring?

Response to Comment 21:

IDEM has determined that a SIP revision is not necessary. Therefore, Condition D.1.12(f) [now D.1.8 (f)] is being revised as follows based on the determination that this monitoring condition is acceptable and adequate to comply with 326 IAC 3-5-1(c)(2)(A):

D.1.~~12~~**8** Continuous Opacity Monitoring [326 IAC 3-5] [40 CFR Part 75]

. . .

(f) Pursuant to SPM 125-12171-00002, issued on February 20, 2001 and 326 IAC 3-5-1(c)(2)(A)(iii), an alternative monitoring requirement request has been granted for the location of the continuous opacity emission monitors for Unit 2. The monitors shall be located in the unit ducts 2-1 and 2-2 at the ID fan discharge location, downstream of the electrostatic precipitator and upstream of the scrubbers. ~~Pursuant to 326 IAC 3-5-1(c)(2)(A)(iv), this alternative monitoring requirement shall not be in effect until it is approved as a SIP revision.~~

The combined data obtained from the continuous opacity monitors located in the ducts of Unit 2 at the Petersburg Generating Station is enforceable information for purposes of demonstrating compliance with 326 IAC 5.

Comment 22:

Condition D.1.12(d) - Continuous Opacity Monitoring: This should be deleted for the reasons set out in Comment 9.

Response to Comment 22:

See Response to Comment 9.

Comment 23:

Condition D.1.14 - Cleaning Waste Characterization: This provision does not implement any applicable requirement and is not authorized to be included in a Part 70 operating permit. It should be deleted.

Response to Comment 23:

This condition has been removed in the response to Comment 15.

Comment 24:

Condition D.1.15 - Electrostatic Precipitator (ESP) Monitoring: There is no legal authority for subsection (a) to be included in the Permit. Subsection (b) is premised on the validity of the CRP requirement in Condition C.18. As set forth in Comment 10, that requirement is unlawful and beyond IDEM's authority. For that reason and the reasons stated in Comment 10, Condition D.1.15(b) should be completely deleted from the Permit.

Response to Comment 24:

The ESPs controlling the boilers must operate properly at all times to assure that the boilers maintain continuous compliance with all applicable requirements. In order to assure proper operation of the ESPs, IDEM has included permit conditions requiring the Permittee to monitor the performance of the ESPs by regularly monitoring certain ESP operating parameters. IDEM has the authority to require such monitoring pursuant to 326 IAC 2-7-5(1) and 326 IAC 2-7-6(1). These rules are cited in the title of the compliance monitoring section of the permit.

IDEM has determined that once per day (rather than once per shift) monitoring of the control device is generally sufficient to ensure proper operation of the control device. IDEM has also determined that monitoring these parameters once per day is sufficient to satisfy the requirements of the Part 70 rules at 326 IAC 2-7-5 and 326 IAC 2-7-6. Therefore, Conditions D.1.15 and D.2.17 have been revised as follows:

D.1.~~15~~**10** Electrostatic Precipitator (ESP) Monitoring [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 ~~shift~~**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 transformer-rectifier ~~(~~T-R~~)~~ sets.

(b) Reasonable response steps shall be taken in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances** whenever the percentage of T-R sets in service falls below 90 percent (90%). T-R set failure resulting in less than 90 percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

D.2.~~17~~**13** Electrostatic Precipitator (ESP) Monitoring [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 ~~shift~~ **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 ~~transformer-rectifier (~~T-R~~)~~ sets.

(b) Reasonable response steps shall be taken in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances** whenever the percentage of T-R sets in service falls below 90 percent (90%). T-R set failure resulting in less than 90 percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

Comment 25:

Condition D.1.16 - Opacity Readings - Response Steps: This provision effectively imposes a new 30% opacity limit and contains enforcement provisions whenever that new "limit" is exceeded. There is no legal basis for this requirement, and it should be completely deleted from the Permit. Moreover, this condition of the permit is premised on the validity of Condition C.18, which requires a CRP. As set forth above in Comment 11, that requirement is completely unlawful. Condition D.1.16 should be deleted for that reason also.

Response to Comment 25:

The condition does not establish an opacity limit that is more stringent than the opacity limits established by 326 IAC 5-1. Rather, the condition requires the Permittee to take response steps when the opacity is above the level indicative of normal operating conditions. During normal operations opacity from the boiler is significantly less than thirty (30) percent, as evidenced by the results of IDEM-approved stack testing. Since the stack testing demonstrated compliance with the PM emission limits when opacity levels were well below the opacity limits, it is appropriate for the Permittee to take response steps when the observed opacity is significantly above the levels demonstrated during a compliant stack test. An opacity reading that is in compliance with 326 IAC 5-1, but above the level of normal operating conditions, requires a response step, but is not considered a violation. It is a deviation from the permit conditions if the Permittee fails to take any response steps. IDEM has the authority to require such monitoring pursuant to 326 IAC 2-7-5(1) and 326 IAC 2-7-6(1).

Upon further review, IDEM, OAQ has added a new paragraph to this condition that clarifies how the Permittee can apply for a revision to the trigger level. Therefore, Condition D.1.16 has been revised as follows:

D.1.~~16~~**11** Opacity Readings - Response Steps [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Except during periods of start up and shut down, appropriate response steps shall be taken in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances** whenever the opacity from either boiler exceeds thirty percent (30%) for three (3) consecutive six (6) minute averaging periods. The response steps shall be conducted 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 - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, 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.

Comment 26:

Condition D.1.17 - Scrubber Inspection: There is no lawful basis for this requirement, and it should be deleted from the Permit. Moreover, this provision is premised on the validity of the requirement of a PMP in Condition B.10 of the Permit. As set forth in Comment 2, that requirement is unlawful. The FGD systems on Units 1 and 2 were installed voluntarily by IPL and are not necessary to meet any applicable requirement. Accordingly, Condition D.1.17 should be deleted from the Permit in its entirety.

Response to Comment 26:

This condition has been removed in the response to Comment 2.

Comment 27:

Condition D.1.18 - SO_2 Monitoring System Downtime: There is no legal basis for imposition of this requirement in the Permit. It should be deleted. While the rules give IDEM authority to impose continuous monitoring requirements, it does not give IDEM authority to impose redundant requirements or requirements that do not produce the same information that the CEM produces. This Condition should be deleted. The appropriate requirements for missing CEM data are set out in 40 CFR Part 75, Subpart D (Missing Data Substitution Procedures).

Response to Comment 27:

The Permittee is required to certify continuous compliance with all conditions of the permit. The Permittee must have sufficient information available in order to be able to certify continuous compliance. If the CEMS fails and the Permittee does not perform any supplemental monitoring during the period of time when the CEMS is not operating, there will not be sufficient information available for the Permittee to be able to certify continuous compliance during that time period. Therefore, the permit must include a requirement to perform supplemental monitoring whenever the CEMS is not in operation and the emission unit is in operation. In addition, IDEM has determined that for SO_2 emissions, which are prone to variability based on coal sulfur values, the Part 75 data substitution procedures may not be representative to show compliance with a short term limit when the CEMS is down for a long period of time. Therefore, Part 75 data substitution cannot be used to demonstrate compliance with 326 IAC 7-4-12 for coal boilers.

IDEM has determined that when the SO_2 CEMS is down, the Permittee will not be required to perform any additional monitoring until the CEMS has been down for at least twenty-four (24) hours. This allows the Permittee to focus on the task of repairing the CEMS during the first twenty-four (24) hour period. After twenty-four (24) hours of CEMS downtime, the Permittee will be required to begin performing parametric monitoring in order to demonstrate compliance with the applicable SO_2 emission limits.

Therefore, Conditions D.1.18 and D.2.19 have been revised as follows:

D.1.~~18~~**12** SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the SO_2 continuous emission monitoring system **(CEMS)** is malfunctioning or down for repairs or adjustments **for twenty-four (24) hours or more**, the Permittee shall monitor and record boiler load, recirculating pH, slurry feed rate, and number of recirculating pumps in service, to demonstrate that the operation of the scrubber continues in a manner typical for the boiler load and sulfur content of the coal and fuel oil fired. Scrubber parametric monitoring readings shall be recorded at least ~~once per hour~~ **twice per day** until the primary CEM**S** or a backup CEM**S** is brought online.

D.2.~~19~~**14** SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the SO_2 continuous emission monitoring system **(CEMS)** is malfunctioning or down for repairs or adjustments **for twenty-four (24) hours or more**, the Permittee shall monitor and record boiler load, recirculating pH, slurry feed rate, and number of recirculating pumps in service, 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 ~~once per hour~~ **twice per day** until the primary CEM**S** or a backup CEM**S** is brought online.

Comment 28:

Condition D.1.19 - Record Keeping Requirements: The reference to Condition D.1.15 should be deleted, because that provision is unlawful and should itself be deleted from the Permit. The same is true of the reference to Condition D.1.16. Condition D.1.19(a)(3) is unlawful, because the requirement of VE notations and Method 9 readings is not authorized to be imposed in the Permit.

Accordingly, that condition should be deleted. Likewise, there is no authority for Condition D.1.19(a)(4), and it should be deleted.

In Condition D.1.19(b), the reference to Condition D.1.18 should be removed, because that provision needs to be deleted from the Permit for the reasons set out above. Similarly, Condition D.1.19(b)(2) and (3) should be deleted, because of the invalidity of Condition D.1.18.

Condition D.1.19(d) is premised on the validity of Condition D.1.6 calling for a PMP. Because that provision is in excess of IDEM's authority, the condition should be deleted. The same is true of Condition D.1.19(e), which is premised on the validity of Condition D.1.17, which should be deleted for the reasons set forth above.

Condition D.1.19(f) should be removed from the Permit, because it is premised on the validity of Condition D.1.1 (heat input limitations on Boilers 1 and 2). Because that condition is without basis, this condition should likewise be deleted.

Condition D.1.19(g) should be deleted, because it provides no useful information in light of the fact that Units 1 and 2 have CEMs; IPL should be able to use CEM data to fulfill the monitoring requirements of concern here. See Comment 38.

Response to Comment 28:

IDEM believes that the requirements in Condition D.1.19(a) and (b) are necessary (see the response to Comments 9, 24, 25, and 27).

IDEM agrees to remove the recordkeeping requirement for inspections, PMPs, and daily coal usage since Conditions D.1.1, D.1.6, D.1.17 have been removed. In addition, IDEM agrees to delete the requirement to develop a standard operating procedure for fuel sampling and analysis, because compliance will be demonstrated using the SO_2 CEMS.

Therefore, Condition D.1.19 has been revised as follows:

D.1.~~19~~**13** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.1.~~2~~**1**, D.1.~~3~~**2**, D.1.~~15~~**10** and D.1.~~16~~**11**, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity, Condition D.1.~~2~~**1** and Condition D.1.~~3~~**2**:

(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 ~~visible emission (VE) notations and~~ Method 9 visible emission readings taken during any periods of COM**S** downtime.

(4) All ESP parametric monitoring readings.

(b) To document compliance with Conditions D.1.~~4~~**3**, D.1.~~11~~**7**, D.1.~~13~~**9**, and D.1.~~18~~**12**, the Permittee shall maintain records in accordance with (1) through (3) below. Records shall be complete and sufficient to establish compliance with the SO_2 limits as required in Conditions D.1.~~4~~**3** and D.1.~~11~~**7**.

(1) All SO_2 continuous emissions monitoring data pursuant to 326 IAC 3-5-6.

(2) All scrubber parametric monitoring readings taken during any periods of CEMS downtime, in accordance with Condition D.1.~~18~~**12**.

(3) Actual fuel usage during each SO_2 CEMS downtime.

(c) To document compliance with Condition D.1.~~11~~**7**, the Permittee shall maintain records of all NO_X continuous emissions monitoring data pursuant to 326 IAC 3-5-6. Records shall be complete and sufficient to establish compliance with the NO_X limits as required in 40 CFR Part 75.

~~(d) To document compliance with Condition D.1.6, the Permittee shall maintain records of the results of all boiler and emission control equipment inspections, including any additional inspections prescribed by the Preventive Maintenance Plan.~~

~~(e) To document compliance with Condition D.1.17, the Permittee shall maintain records of the results of the inspections required under Condition D.1.17.~~

~~(f) To document compliance with Condition D.1.1, the Permittee shall maintain daily records of the amount of coal combusted by Units 1 and 2.~~

~~(g) Pursuant to 326 IAC 3-7-5(a), the Permittee shall develop a standard operating procedure (SOP) to be followed for sampling, handling, analysis, quality control, quality assurance, and data reporting of the information collected pursuant to 326 IAC 3-7-2 through 326 IAC 3-7-4. In addition, any revision to the SOP shall be submitted to IDEM, OAQ.~~

~~(h)~~**(d)** All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Comment 29:

Condition D.1.20(b) (Reporting Requirements), should include parentheses around the phrase "except for zero (0) and span checks" to clarify the requirement.

Response to Comment 29:

The following changes were made to Conditions D.1.20(b) and D.2.22(c) for clarity:

D.1.~~20~~**14** Reporting Requirements

...

(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:

D.2.~~22~~**16** Reporting Requirements

...

(c) 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:

Comment 30:

Section D.2 - Facility Description Box: This should be rewritten as set forth in Comment 1.

Response to Comment 30:

The following changes were made to the permit in response to this comment:

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: Boilers 3 and 4

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour~~.,~~ **Unit 3 uses** an electrostatic precipitator, ~~FGD scrubber and~~ selective catalytic reduction **(installed in 2004) and an FGD scrubber** as control, and exhaust~~sing~~ to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, **on which construction began** ~~constructed~~ in 1978 **and which began operation in 1986**, with a design capacity of 5550 MMBtu per hour~~.,~~ **Unit 4 uses** an electrostatic precipitator and FGD scrubber as control, and low NO_X burner **(installed in 2001)** for NO_X reduction, and exhaust~~sing~~ to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

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

Comment 31:

Condition D.2.3 - Prevention of Significant Deterioration (PSD):

Condition D.2.3(1)(b) incorrectly includes a reference to "PM-10" emissions. PM-10 standards and requirements had not been promulgated in 1978 when the Unit 4 construction permit was issued. That reference to PM-10 should be deleted. The coal specifications in subparagraph (1)(d) should be removed from the Permit. These are merely descriptive and accomplish no legitimate purpose.

The limitation on the rate of heat input for Unit 3 set out in Condition D.2.3(2) is not a PSD limitation and there is no basis for it. This should be deleted. If IDEM wants to discuss appropriate emission limitations in terms of mass of pollutant per unit of time, or per unit of heat input, IPL is willing to do that. However, IDEM is without authority to limit the heat input for a non-PSD unit.

The 85.7 percent scrubber efficiency requirement in Condition D.2.3(1)(a) and the 98.7 percent ESP efficiency requirement in Condition D.2.3(1)(b) should be deleted. So long as emissions meet the SO_2 limit of 1.2 lbs/MMBtu and the particulate limit of 0.1 lb/MMBtu, IPL should be able to switch to lower sulfur coal, perhaps emitting less SO_2, but not removing 85.7 percent of potential sulfur. These efficiencies are there only as a rationale for arriving at the emission limitations that actually constitute best available control technology ("BACT"). BACT is not equipment or, except in exceptional circumstances, equipment standards. 326 IAC 2-2-1(i) defines the term as follows:

> "Best available control technology" or "BACT" means an emissions limitation, including a visible emissions standard, based on the maximum degree of reduction for each regulated NSR pollutant that would be emitted from any proposed major stationary source or major modification, that the commissioner, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable for the source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning and treatment or innovative fuel combustion techniques for control of the pollutant. In no event shall application of best available control technology result in emissions of any pollutant that would exceed the emissions allowed by any applicable standard under 40 CFR Part 60* and 40 CFR Part 61*. If the commissioner determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the

> imposition of an emissions standard not feasible, a design, equipment, work practice, operational standard, or combination thereof may be prescribed instead to satisfy the requirements for the application of best available control technology. The standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of the design, equipment, work practice, or operation and shall provide for compliance by means that achieve equivalent results.

So equipment standards may be imposed under the PSD rules only when some problem makes an emission limitation or standard infeasible. That is not the case here. The emission standards that constitute BACT are 1.2 lb if SO_2 per MMBtu and 0.1 lb of PM per MMBtu. The efficiency standards merely explain the rationale for deciding what was BACT.

Response to Comment 31:

The coal specifications in subparagraph (1)(d) were reproduced from PSD (63) 1156, issued on February 21, 1978. Placing limits on the sulfur content, ash content and heat content of the coal effectively limits PM/PM-10, SO_2, NOx, VOC and CO emissions. IPL has not provided any information in support of its claim that the coal specifications are merely descriptive and accomplish no legitimate purpose. No changes were made to the permit as a result of these comments.

The PM and SO_2 control efficiency limits were reproduced from PSD (63) 1156, issued on February 21, 1978. It is IDEM's understanding that the control efficiency limits have never been appealed by IPL since the issuance of that 1978 PSD permit. As a result, these requirements are a part of the BACT determination and have been enforceable for some time. In order to modify the BACT limits, the Permittee must submit an application for a permit modification with a new BACT analysis. No changes were made to the permit as a result of these comments.

IDEM agrees that there is no regulatory basis for the heat input capacity limit as BACT is sufficiently described by the limitations in Condition D.2.3(1) (now renumbered as D.2.3). IDEM also agrees that the PM/PM10 limitation in Condition D.2.3(1)(b)(now renumbered as Condition D.2.3(b)) incorrectly references PM10. PM10 was not a regulated pollutant under PSD until 1987, several years after the issuance of PSD (63) 1156. The following changes were made as a result of this comment:

D.2.3 Prevention of Significant Deterioration (PSD) [326 IAC 2-2] [40 CFR 52.21]

~~1.~~ Pursuant to PSD (63) 1156, issued on February 21, 1978, and 326 IAC 2-2 (PSD), the following requirements shall apply to Unit 4:

(a) Sulfur dioxide (SO_2) emissions shall not exceed 1.2 pounds per MMBtu heat input when burning coal and shall be controlled by a wet limestone scrubber having a minimum control efficiency of 85.7 percent.

(b) PM~~/PM-10~~ emissions shall not exceed 0.1 pounds per MMBtu heat input and the electrostatic precipitator shall achieve a minimum control efficiency of 98.7 percent.

(c) Nitrogen oxides (NO_X) emissions shall not exceed 0.7 pounds per MMBtu heat input.

(d) The coal to be burned in the boiler will have a sulfur content in the range of 1.5 to 4.5 percent, an ash content in the range of 9 to 12 percent, and a typical heat content of 10,750 Btu per pound.

~~2. Pursuant to OP 63-02-90-0070, issued January 18, 1988, the rate of heat input for Unit 3 shall not exceed 5,540 MMBtu per hour.~~

D.2.~~8~~**6** Particulate Control

Except as otherwise specified in this permit, in order to comply with Conditions D.2.2 and D.2.3(~~1~~**b**), the electrostatic precipitators (ESPs) for particulate control shall be in operation and control emissions from Units 3 and 4 at all times that the respective facilities are in operation.

D.2.~~21~~**15** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.2.2, D.2.3~~(1)~~, D.2.4, D.2.~~13~~**10**, and D.2.~~17~~**13**, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Conditions D.2.2, D.2.3~~(1)~~ and D.2.4:

. . .

(3) The results of all ~~visible emission (VE) notations and~~ Method 9 visible emission readings taken during any periods of COM**S** downtime; and

(b) To document compliance with Conditions D.2.2, D.2.3~~(1)~~, D.2.5, D.2.~~13~~**10**, D.2.~~15~~**12**, and D.2.~~19~~**14**, the Permittee shall maintain records in accordance with (1) through (3) below. Records shall be complete and sufficient to establish compliance with the SO_2 limits as required in Conditions D.2.3~~(1)~~ and D.2.5.

. . .

(2) All scrubber parametric monitoring readings taken during any periods of CEMS downtime, in accordance with Condition D.2.~~19~~**14**.

. . .

(c) To document compliance with Conditions D.2.2, D.2.3~~(1)~~, **and** D.2.~~13~~**10** ~~and D.2.20~~, the Permittee shall maintain records of all NO_X continuous emissions monitoring data, pursuant to 326 IAC 3-5-6 and 40 CFR 60.45. Records shall be complete and sufficient to establish compliance with the NO_X limits as required in Conditions D.2.2 and D.2.3~~(1)~~.

~~(d) To document compliance with Condition D.2.3(2), the Permittee shall maintain daily records of the amount of coal combusted by Unit 3.~~

~~(e) To document compliance with Conditions D.2.7 and D.2.18, the Permittee shall maintain records of the results of all boiler and emission control equipment inspections, including any additional inspections prescribed by the Preventive Maintenance Plan.~~

(~~e~~**d**) Pursuant to 326 IAC 3-7-5(a), the Permittee shall develop a standard operating procedure (SOP) to be followed for sampling, handling, analysis, quality control, quality assurance, and data reporting of the information collected pursuant to 326 IAC 3-7-2 through 326 IAC 3-7-4. In addition, any revision to the SOP shall be submitted to IDEM, OAQ.

~~(f~~**e)** Pursuant to 326 IAC 3-7-5(a), the Permittee shall develop a standard operating procedure (SOP) to be followed for sampling, handling, analysis, quality control, quality assurance, and data reporting of the information collected pursuant to 326 IAC 3-7-2 through 326 IAC 3-7-4. In addition, any revision to the SOP shall be submitted to IDEM, OAQ.

(~~g~~**f**) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Comment 32:

Condition D.2.4(a)(1) - Temporary Alternative Opacity Limitations: This paragraph should be rewritten as follows:

(1) When building a new fire in a boiler, opacity may exceed the 40% opacity limitation for a period not to exceed a total of four (4) hours (forty (40) six (6)-minute average periods) during the startup, or until the flue gas temperature **entering the ESP** reaches two hundred eighty five (285) degrees Fahrenheit, whichever occurs first.

Response to Comment 32:

In order to reflect the language in 326 IAC 5-1-3(e) correctly, Condition D.2.4 has been revised as follows:

D.2.4 ~~Temporary Alternative Opacity Limitations~~ **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 Units 1 and 2:

(1) When building a new fire in a boiler, opacity may exceed the ~~40% opacity~~ **applicable** limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of four (4) hours (forty (40) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature **entering the ESP** reaches two hundred ~~eighty five (285)~~ **and fifty (250)** degrees Fahrenheit **at the inlet to the electrostatic precipitator,** whichever occurs first.

(2) When shutting down a boiler, opacity may exceed the ~~40% opacity~~ **applicable** limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

. . .

Comment 33:

Condition D.2.5 - Sulfur Dioxide (SO_2) Emission Limitations: The following should be added to the end of this provision: "Compliance shall be determined pursuant to 326 IAC 7-2-1."

Response to Comment 33:

The requirement to determine compliance pursuant to 326 IAC 7-2-1 is already addressed in Condition D.2.15 (Sulfur Dioxide Emissions). No changes were made to the permit as a result of this comment.

Comment 34:

Condition D.2.6 - Operation Standards: There is no authority for IDEM to impose this condition and it should be completely removed from the Permit.

Response to Comment 34:

This condition has been removed in the response to Comment 15.

Comment 35:

Condition D.2.7 - Preventive Maintenance Plan: As set forth above in Comment 2, this provision is imposed without any legal basis and should be deleted in its entirety.

Response to Comment 35:

This condition has been removed in the response to Comment 2.

Comment 36:

Condition D.2.8 - Particulate Control: IDEM is without authority to compel operation of the ESPs on Unit 3. Accordingly, the words "Units 3 and" should be deleted from Condition D.2.8 of the Permit.

Response to Comment 36:

See Response to Comment 17.

Comment 37:

Condition D.2.9 - Sulfur Dioxide Control: The FGD scrubbers are not needed to comply with Condition D.2.5 (6.0 lb/MMBtu SO_2 limit). Nor does Unit 3 need to comply with Condition D.2.3 of the Permit. Also, Unit 3 is free to meet its NSPS limitation on SO_2 by means of low sulfur coal. Accordingly, this requirement should be removed from the Permit.

Response to Comment 37:

Based on the information provided by IPL in the permit application, the uncontrolled potential to emit SO_2 from Unit 3 and Unit 4 is approximately 12 pounds per MMBtu, each, which is significantly greater than the SO_2 limit of 6.0 pounds per MMBtu. Therefore, the use of the FGD scrubber is necessary to ensure compliance with Condition D.2.5.

With respect to Unit 4, IPL must continually comply with the SO_2 limitations pursuant to 326 IAC 2-2, 40 CFR Part 60, Subpart D, and 326 IAC 7-1.1. 40 CFR Part 60, Subpart D does allow for the use of low sulfur coal in order to determine compliance. However, pursuant to PSD (63) 1156, issued on February 21, 1978, SO_2 emissions from Unit 4 shall be controlled by the FGD scrubber. This requirement must be met continually and irrespective of what other compliance options are afforded by other rules.

The following changes have been made in response to this comment:

D.2.~~9~~**7** Sulfur Dioxide Control

~~In order to comply with Conditions D.2.2, D.2.3(1) and D.2.5, the FGD scrubbers for SO_2 control shall be in operation and control emissions from Units 3 and 4 at all times that the respective facilities are in operation.~~

(a) In order to comply with Conditions D.2.2(b) and D.2.5, the FGD scrubber for SO_2 control shall be in operation and control emissions from Unit 3 at all times that the respective facility is in operation, except when compliance is determined through the use of low sulfur coal as allowed by 40 CFR Part 60, Subpart D.

(b) In order to comply with Conditions D.2.2(b), D.2.3(a), and D.2.5 and pursuant to PSD (63) 1156, issued on February 21, 1978, the FGD scrubber for SO_2 control shall be in operation and control emissions from Unit 4 at all times that the facility is in operation.

Comment 38:

Condition D.2.10 - Nitrogen Oxide Control: This provision should be removed from the Permit. It is not necessary to use the low NOx burner on Unit 4 to meet the NSPS in Condition D.2.2(c). Unit 3 does not have a low NOx burner and so this condition is inappropriate for it also. Unit 4 has no SCR.

Also, it is not necessary to use the low NOx burners to meet the PSD requirement of Condition D.2.3(c), and Unit 3 is not subject to PSD requirements anyway.

Furthermore, it is not necessary to use the SCR on Unit 3 to meet the requirements of either Condition D.2.2 or D.2.3. This requirement is redundant and incorrect. It is also inappropriate to require SCR during non-ozone seasons.

Response to Comment 38:

IDEM, OAQ agrees that Unit 3 does not have a low NOx burner and Unit 4 is not equipped with an SCR. As previously addressed in Response to Comment 31, the NOx PSD requirements in Condition D.2.3 are not applicable to Unit 3. Upon further review of the emission calculations in Appendix A of the Technical Support Document, the IDEM, OAQ has determined that Unit 3 can comply with the NOx limits in Condition D.2.2(c) without the SCR. IDEM, OAQ has also determined that Unit 4 can comply with both the 40 CFR Part 60, Subpart D and PSD NOx limitations without the use of low NOx burners. Therefore, IDEM, OAQ agrees that Condition D.2.10 should be deleted. The following changes were made as a result of this comment:

~~D.2.10 Nitrogen Oxide Control~~

~~In order to comply with Conditions D.2.2 and D.2.3(1), the low NO_x burner and selective catalytic reduction for NO_x control shall be in operation and control emissions from Units 3 and 4 at all times that the respective facilities are in operation.~~

Comment 39:

Condition D.2.11 - Testing Requirements: Condition D.2.11(a) should refer to Unit 3 and Unit 4. Condition D.2.11(b) should be deleted. IDEM has no authority to require inlet and outlet testing. There were no PM-10 requirements in the 1971 NSPS or in the 1978 PSD permit for Unit 4. The concluding paragraph of Condition D.2.11 should be changed to allow the initial testing to occur no later than 24 months after issuance of the Permit. This testing was done on these units in November 2003.

Response to Comment 39:

It is not necessary to add Unit 4 to Condition D.2.11(a) because Unit 4 is already required to perform PM testing in Condition D.2.11(b). Inlet and outlet testing on Unit 4 is necessary to ensure compliance with the ESP control efficiency requirement in Condition D.2.3(1)(b)(now renumbered as Condition D.2.3(b)).

Testing shall be performed no later than two (2) years following the most recent stack test and shall be repeated at least every two (2) years. Therefore, Condition D.2.11 has been revised as follows:

D.2.~~11~~**8** Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

(a) In order to demonstrate compliance with Condition~~s~~ D.2.2**(a)(1)** ~~and D.2.3(1)~~, the Permittee shall perform **PM testing on Unit 3.**

~~(a) PM testing for Unit 3; and~~

(b) **In order to demonstrate compliance with Conditions D.2.2(a)(1) and D.2.3(b), the Permittee shall perform** ~~i~~inlet and outlet PM ~~and PM-10~~ testing on the ESP for Unit 4 ~~(PM-10 includes filterable and condensible PM-10)~~.

These tests shall be performed no later than ~~twelve (12) months after the issuance of this Part 70 permit~~ **November 30, 2005**. These tests shall be repeated at least once every two ~~and a half~~ (2~~.5~~) years following valid compliance demonstration. Testing shall be conducted in accordance with Condition C- Performance Testing utilizing methods approved by the Commissioner.

Comment 40:

Condition D.2.12 - Fuel Sampling and Analysis: The coal sampling and analysis requirements provide no useful information, and this paragraph should be deleted. Alternatively, IPL should be allowed the option of using CEM data to demonstrate compliance with SO_2 and NOx emission limits. In fact, the following Conditions of the Permit require exactly that. See Conditions D.2.13 and D.2.15, both requiring compliance with Condition D.2.3 to be determined by CEMS.

Response to Comment 40:

Both the coal sampling and analysis and the CEMS data requirements are necessary to ensure compliance with the scrubber control efficiency requirement in Condition D.2.3(1)(a)(now renumbered as Condition D.2.3(a)). CEMS data alone are only sufficient to demonstrate compliance with emission limitations. That is why Conditions D.2.13 (now D.2.10) and D.2.15 (now D.2.12) require only CEMS data to demonstrate compliance with SO_2 and NOx emission limits. There has been no change to the permit as a result of this comment.

Comment 41:

Condition D.2.13 - Continuous Emissions Monitoring: The words "used for compliance determination purposes under this Permit" should be added to follow "CEMS" in the second sentences of subsections (a) and (b) and in subsections (c) and (d).

Response to Comment 41:

The following changes were made as a result of this comment:

D.2.~~13~~**10** Continuous Emission Monitoring [326 IAC 3-5] [40 CFR Part 60, Subpart D] [40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5-1, 40 CFR Part 60 Subpart D and 40 CFR Part 75, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_X, and CO_2 emissions from Unit 3. Each CEMS **required by this permit** must meet all applicable performance specifications of 326 IAC 3-5-2, 40 CFR 60.45 and 40 CFR Part 75. The data from the respective CEMS will be used to determine compliance with Conditions D.2.2, D.2.5 and D.2.~~15~~**12**.

(b) Pursuant to 326 IAC 3-5-1, 40 CFR Part 60 Subpart D, 40 CFR Part 75 and PSD (63) 1156, issued on February 21, 1978, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_X, and CO_2 emissions from Unit 4. Each CEMS **required by this permit** must meet all applicable performance specifications of 326 IAC 3-5-2, 40 CFR 60.45, and 40 CFR Part 75. The data from the respective CEMS will be used to determine compliance with Conditions D.2.2, D.2.3~~(1)~~, D.2.5 and D.2.~~15~~**12**.

(c) The CEMS **required by this permit** must operate and record data during all periods of operation of the affected facilities including periods of startup, shutdown, malfunction or emergency conditions, except for CEMS breakdowns, repairs, calibration checks, and zero and span adjustments.

(d) All CEMS **required by this permit** are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

...

Comment 42:

Condition D.2.15 - SO_2 Emissions: This condition should include the contents of No. 11 of the 1988 permit for Unit 3 and No. 12 of the 1985 permit for Unit 4.

Response to Comment 42:

Condition D.2.15 pertains to compliance with the SO_2 limit pursuant to 326 IAC 7-1.1. Condition No.11 of the 1988 permit for Unit 3 and No. 12 of the 1985 permit for Unit 4 pertains to compliance demonstration of the SO_2 limit in 40 CFR Part 60, Subpart D. The compliance determination requirements for 40 CFR Part 60, Subpart D are specified in Condition D.2.13. No changes were made to the permit as a result of this comment.

Comment 43:

Condition D.2.16 - Cleaning Waste Characterization: There is no legal authority for IDEM to impose this requirement in a Part 70 operating permit. It should be deleted.

Response to Comment 43:

This condition has been removed in the response to Comment 15.

Comment 44:

Condition D.2.17 - Electrostatic Precipitator (ESP) Monitoring: IDEM is without authority to impose the ESP monitoring duties in subsection (a). IDEM is also without authority to impose the CRP requirements and other provisions of subsection (b). See Comment 10. This whole Condition should be deleted.

Response to Comment 44:

See Response to Comments 10 and 24.

Comment 45:

Condition D.2.18 - Scrubber Inspection: Condition D.2.18(a) is based at least in part on the validity of the PMP requirement. The invalidity of that requirement is discussed in Comment 2. The invalidity of the CRP requirement in D.2.18(c) is discussed in Comment 11. IDEM is without authority to impose these inspection requirements. Condition D.2.18 should be deleted from the Permit in its entirety.

There is no lawful basis for this requirement, and it should be deleted from the Permit. Moreover, this provision is premised on the validity of the requirement of a PMP in Condition B.10 of the Permit. As set forth in Comment 2, that requirement is unlawful. The FGD systems on Units 1 and 2 were installed voluntarily by IPL and are not necessary to meet any applicable requirement. Accordingly, Condition D.1.17 should be deleted from the Permit in its entirety.

Response to Comment 45:

This condition has been removed in the response to Comment 2.

Comment 46:

Condition D.2.19 - SO_2 Monitoring Downtime: This provision is without any basis in law and should be deleted. While the rules give IDEM authority to impose continuous monitoring requirements, it does not give IDEM authority to impose redundant requirements or requirements that do not produce the same information that the CEM produces. This Condition should be deleted. The appropriate requirements for missing CEM data are set out in 40 CFR Part 75, Subpart D (Missing Data Substitution Procedures).

Response to Comment 46:

See Response to Comment 27.

Comment 47:

Condition D.2.20 - NOx Monitoring System Downtime: This provision is incorrect. 40 CFR Part 75, Appendix D, deals with gas-fired and oil-fired units and is optional. Appendix D is inapplicable to these units. The appropriate citation is 40 CFR Part 75, Subpart D. Please correct the condition.

Response to Comment 47:

IDEM has determined that additional monitoring during NOx CEMS downtime is unnecessary since the NSPS 40 CFR 60, Subpart D already establishes minimum requirements for valid data return. Pursuant to this rule, the emission unit is determined to be noncompliant with the applicable emission limit if excessive CEMS downtime results in insufficient data return. Therefore, Condition D.2.20 has been removed from the permit:

~~D.2.20 NO_x Monitoring System Downtime [326 IAC 2-2] [326 IAC 2-7-6] [326 IAC 2-7-5(3)]~~

~~In instances of NO_x continuous emission monitoring system (CEMS) downtime, the Permittee shall report the NO_x mass emissions in accordance with the procedures regulated by 40 CFR Part 75, Appendix D (Optional SO_2 Emissions Data Protocol) for fuel flow meters requirements, 40 CFR Part 75, Appendix E (Optional NO_x Emissions Estimation Protocol) for emission rate curve establishment, and Appendix G (Determination of CO_2 Emissions). NO_x mass emissions reported shall be based on the fuel and unit specific NO_x emission rates ("load curve") established during the latest stack test~~.

Comment 48:

Condition D.2.21 - Record Keeping Requirements: References to Conditions D.2.17, D.2.18, and D.2.19 should be removed, because, as set forth above, those provisions are unlawful and should be deleted from the Permit. Moreover, subsections (a)(3) and (4) should be deleted, because the readings required there are unlawfully imposed, as set forth above. The same is true of subsections (b)(2) and (3).

Condition D.2.21(d) should provide that CEM data may be used.

Condition D.2.21(e) should be deleted, because it is based on inspection requirements that are not lawful and on the unlawfully imposed PMP requirement discussed in Comment 2.

Response to Comment 48:

IDEM believes that the requirements in Condition D.2.21(a) and (b) are necessary (see the response to Comments 9, 24, 25, and 27).

IDEM agrees that the requirements in Conditions D.2.21(d) and (e) can be removed. These requirements have been removed in the response to Comment 31.

Comment 49:

Condition D.2.22 - Reporting Requirements: Subparagraph (c) should be rewritten to enclose in parentheses the language beginning with "except" and ending with the word "checks," for clarity.

Response to Comment 49:

This change has been made in the response to Comment 29.

Comment 50:

Condition D.3.1 - General Provisions Relating to NESHAP: IPL objects to being deprived of the benefit of the Permit Shield for the requirements of 40 CFR Part 63, Subpart ZZZZ. That is not in accordance with law.

Response to Comment 50:

The permit shield requirements in 326 IAC 2-7-15 only apply to the applicable requirements that are included and are specifically identified in the Part 70 permit. Since the emissions limitations and standards, operational requirements, monitoring requirements, record keeping requirements, and reporting requirements of the NESHAP have not yet been included in the Part 70 permit, the permit shield cannot be granted for those requirements. However, the permit shield does cover

the notification requirements, which are specified in Condition D.3.3 (previously D.3.4). In order to clarify the permit shield applicability, IDEM, OAQ has revised Conditions D.3.1 and D.3.2 as shown below.

D.3.1 General Provisions Relating to NESHAP [326 IAC 20-1] [40 CFR Part 63, Subpart A]

(a) The provisions of 40 CFR 63 Subpart A - General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the affected sources, as designated by 40 CFR 63.6590(a)(1), except when otherwise specified in 40 CFR 63 Subpart ZZZZ. The Permittee must comply with these requirements on and after the effective date of 40 CFR 63, Subpart ZZZZ.

(b) Since the applicable requirements associated with the compliance options for the existing affected sources are not included and specifically identified in this permit, the permit shield authorized by the B section of this permit in the condition titled Permit Shield, and set out in 326 IAC 2-7-15 does not apply to paragraph (a) of this condition**, except as otherwise provided in this condition. The permit shield applies to Condition D.3.3, National Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines - Notification Requirements**.

D.3.2 National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines [40 CFR Part 63, Subpart ZZZZ]

(a) The affected sources are subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines, (40 CFR 63, Subpart ZZZZ), as of the effective date of 40 CFR 63, Subpart ZZZZ. Pursuant to this rule, the Permittee must comply with 40 CFR 63, Subpart ZZZZ on and after three years after the effective date of 40 CFR 63, Subpart ZZZZ.

(b) The following emissions units are the affected sources: emergency diesel internal combustion engines/generators PB-2 through PB-4.

(c) The emergency diesel internal combustion engines/generators PB-2 through PB-4 operate exclusively as emergency/limited use units, therefore are subject only to initial notification requirements.

(d) The definitions of 40 CFR 63, Subpart ZZZZ at 40 CFR 63.6675 are applicable to the affected sources.

(e) Since the applicable requirements associated with the compliance options for the affected sources are not included and specifically identified in this permit, the permit shield authorized by the B section of this permit in the condition titled Permit Shield, and set out in 326 IAC 2-7-15 does not apply to paragraph (a) of this condition. **The permit shield applies to Condition D.3.3, National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines - Notification Requirements.**

Comment 51:

Condition D.3.2 - NESHAPs for Stationary Reciprocating Internal Combustion Engines: IPL objects to being deprived of the Permit Shield.

Response to Comment 51:

See Response to Comment 50.

Comment 52:

Condition D.3.3 - Particulate Emission Limitations for Manufacturing Processes: The emergency diesel internal combustion engines/generators are not manufacturing processes and not part of

any manufacturing process, and 326 IAC 6-3-2 does not apply to them. This condition should be deleted.

Response to Comment 52:

IDEM, OAQ agrees that 326 IAC 6-3 (Particulate Emission Limitations for Manufacturing Processes) does not apply to combustion units. The following revisions have been made to the permit as a result of this comment.

~~D.3.3 Particulate Emission Limitations for Manufacturing Processes [326 IAC 6-3-2]~~

~~Any change or modification which may increase the potential to emit particulate matter from each emergency diesel internal combustion engine/generator to 0.551 pounds per hour or more shall require prior approval by the IDEM, OAQ before such changes may take place.~~

Comment 53:

Section D.4 - Coal Handling Operations: The Facility Description should be rewritten as set forth in paragraphs A.2(h) and (i) in Comment 1.

Response to Comment 53:

The following changes were made to the permit in response to this comment. In addition, as stated in the response to Comment 57, IDEM has changed the visible emission notation frequency from once per shift to once per day for the uncontrolled coal and limestone handling operations.

SECTION D.4 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Coal and Limestone Handling Facilities

(h) Coal **handling facility**, ~~transfer operations,~~ identified as PB-45 "**System A"** ~~on units 1 and 2~~, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of **the following operations:** ~~a bulk material conveyor to an outside storage pile, with an enclosure at the coal drop points for dust control.~~

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Free fall from overhead conveyor to outside pile.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads.

~~(i) Coal unloading and storage operations on units 1 and 2, identified as PB-47, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of a haul truck, front end loader and bulldozer to an outside storage pile, with no dust control device.~~

~~(j) Coal crushing operations on units 3 and 4, identified as PB-48, constructed in 1973, with a maximum throughput of 901.8 tons per hour, with an enclosure for dust control.~~

(i) Coal and limestone handling facility, identified as PB-48 "System B," constructed in 1973, with a maximum throughput of 901.8 tons per hour, consisting of the following operations:

(1) Train and truck unloading.

(2) Move bulk materials - haul trucks, front end loaders, bulldozers, other heavy mobile equipment, etc.

(3) Transfer - hoppers, feeders, conveyors, trippers, bunkers, silos, etc.

(4) Enclosures at drop points.

(5) Coal crushing with enclosures.

(6) Limestone wet ball mill.

(7) Outside storage pile.

(8) Reclaiming and loading.

(9) Truck hauling on paved and unpaved roads**.**

D.4.1 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 coal **and limestone** handling facilities (PB-45~~, PB-47~~ and PB-48) shall not exceed an amount determined by the following:

. . .

D.4.~~3~~**2** Particulate Control [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, in order to comply with Condition D.4.1 the enclosures for particulate control shall be in place and control emissions at all times facilities PB-45 "**System A"** and PB-48 "**System B"** are in operation.

D.4.~~4~~**3** Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the coal **and limestone** transfer points shall be performed once per ~~shift~~ **day** during normal daylight operations when unloading coal **and limestone**. A trained employee shall record whether emissions are normal or abnormal.

Comment 54:

Condition D.4.1 - Particulate Emission Limitations for Manufacturing Processes: Application of 326 IAC 6-3-2 to the coal handling facilities is improper. They are not manufacturing processes. Accordingly, this provision should be deleted.

Response to Comment 54:

Pursuant to 326 IAC 6-3-1.5, manufacturing process means any single or series of actions, operations, or treatments in which a mechanical, physical, or chemical transformation of material occurs that emits, or has the potential to emit, particulate in the production of the product. The term includes transference, conveyance, or repair of a product. The coal handling facilities qualify as manufacturing processes under this definition. No changes were made to the permit as a result of this comment.

Comment 55:

Condition D.4.2 - Preventive Maintenance Plan: This Condition should be deleted for the reasons set out in Comment 2. The PMP requirement does not apply to Petersburg Generating Station, and IDEM is without authority to impose it here.

Response to Comment 55:

This condition has been removed in the response to Comment 2.

Comment 56:

Condition D.4.3 - Particulate Control: This Condition should be deleted, because it implements Condition D.4.1, which is improperly imposed as set forth above.

Response to Comment 56:

As explained in Response to Comment 53, Condition D.4.1 (Particulate Emission Limitations for Manufacturing Processes) applies to the coal handling facilities. Therefore, Condition D.4.3 is necessary to ensure compliance with Condition D.4.1. There has been no change to the permit as a result of this comment.

Comment 57:

Condition D.4.4 - Visible Emissions Notations: The frequency of VE notations should be reduced to once per week during daylight operations. Once per shift is onerous and burdensome. Condition D.4.4(b) should be deleted because it incorporates and relies on the unlawful CRP requirement. See Comment 11.

Response to Comment 57:

The condition for Compliance Response Plan in Section C has been replaced with the condition for Response to Excursions or Exceedances (see the response to Comment 11).

Upon further review, IDEM has determined that once per day monitoring of the visible emission notations for the coal and limestone transfer facilities at this source, which do not have add-on control devices, is generally sufficient to ensure proper operation of the coal and limestone transfer facilities. Therefore, Condition D.4.4 has been revised as follows:

D.4.4**3** Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the coal **and limestone** transfer points shall be performed once per **day** ~~shift~~ during normal daylight operations when unloading coal **and limestone**. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - **Response to Excursions or Exceedances** ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~. 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 in accordance with Section C - **Response to Excursions or Exceedances** ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~, shall be considered a deviation from this permit.

. . .

Comment 58:

Condition D.4.5(b) - Record Keeping Requirements: This provision should be removed from the Permit, since IDEM is without authority to impose the PMP requirement and since Condition D.4.2 should be removed from the Permit.

Response to Comment 58:

Condition D.4.2 has been removed in the response to Comment 2. Therefore, Condition D.4.5 has been revised as follows:

D.4.~~5~~**4** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.4.~~4~~**3**, the Permittee shall maintain records of the visible emission notations.

~~(b) To document compliance with Condition D.4.2, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~

(~~c~~**b**) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Comment 59:

Section D.5 - Facility Description Box: The descriptions of PB-65, PB-43, and PB-51 should be revised as set forth above in Comment 1.

Response to Comment 59:

The following changes were made to the permit in response to this comment:

SECTION D.5 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Limestone/Fly Ash/Gypsum Handling Facilities)

~~(k) A limestone, gypsum and fly ash handling facility used with Units 1 and 2 FGD scrubbers, identified as PB-65, constructed in 1993, with a maximum limestone throughput of 102.7 tons per hour and a maximum combined gypsum and flyash throughput of 250.2 tons per hour, consisting of the following operations:~~

~~(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;~~

~~(2) Use of front end loader on limestone pile;~~

~~(3) Wind erosion of limestone pile;~~

~~(4) Dumping limestone or gypsum/fly ash into hopper;~~

~~(5) Transfer from hopper to conveyors and feeder;~~

~~(6) Transfer from feeder to silo and ballmill;~~

~~(7) Baghouses on the silos;~~

~~(8) Operation of a bulldozer; and~~

~~(9) Wet process ash handling, with ash stored in an ash pond.~~

~~(l) A limestone, gypsum and fly ash handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-43, constructed in 1973, with a maximum throughput of 22.8 tons per hour, consisting of the following operations:~~

~~(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;~~

~~(2) Use of front end loader on limestone pile;~~

~~(3) Wind erosion of limestone pile;~~

~~(4) Dumping limestone or gypsum/fly ash into hopper;~~

~~(5) Transfer from hopper to conveyors and feeder;~~

~~(6) Transfer from feeder to silo and ballmill;~~

~~(7) Baghouses on the silos;~~

~~(8) Operation of a bulldozer; and~~

~~(9) Wet process ash handling, with ash stored in an ash pond.~~

~~(m) Fly ash/FGD sludge handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-51, constructed in 1973, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:~~

~~(1) Conveying fly ash to silos with baghouse;~~

~~(2) Transfer from hoppers to screw conveyors, to feeders and to pugmill mixer;~~

~~(3) Free fall from overhead conveyor to pile;~~

~~(4) Wind erosion from pile;~~

~~(5) Use of front-end loader on pile;~~

~~(6) Truck hauling on paved & unpaved roads; and~~

~~(7) Wet process ash handling, with ash stored in an ash pond.~~

(j) Limestone handling facility, identified as PB-65, constructed in 1993, consisting of the following operations:

(1) Truck unloading

(2) Move bulk materials - haul trucks, dozers, front end loaders, other heavy mobile equipment, etc.

(3) Outside storage pile

(4) Reclaiming and loading

(5) Transfer - hoppers, feeders, conveyors, silos, etc.

(6) Enclosures at drop points

(7) Baghouses on the silos

(8) Limestone wet ball mill

(9) Truck hauling on paved and unpaved roads

(k) FGD sludge (gypsum) handling facility, identified as PB-67, constructed in 1993, consisting of the following operations:

(1) Wet handling to dewatering process

(2) Transfer - hoppers, feeders, conveyors, etc.

(3) Enclosures at drop points

(4) Free fall from overhead conveyors to inside piles

(5) Inside and outside storage piles

(6) Loading

(7) Move bulk materials - haul trucks, front end loader, other heavy mobile equipment, etc.

(8) Truck hauling on paved and unpaved roads

(l) Ash and FGD sludge (filter cake) handling facility, identified as PB-51, consisting of the following operations:

Operations constructed in 1963:

(1) Wet process ash handling from Units 1 and 2 ash pond

Operations constructed in 1973 for Unit 3:

(2) Move bulk materials - haul trucks, front end loader, bulldozer, excavating,

dredging, other heavy mobile equipment, etc.

(3) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(4) Enclosures at drop points

(5) Conveying dry fly ash to silos with baghouse

(6) Wet process ash handling from Unit 3 to ash pond and/or dewatering bins

(7) Free fall from overhead conveyor to outside pile

(8) Outside storage pile

(9) Landfill disposal facilities for Coal Combustion Products

(10) Truck and tanker loading

(11) Truck unloading

(12) Truck hauling on paved and unpaved roads

Operations constructed in 1973 and modified for Unit 4:

(13) Transfer - silos, hoppers, feeders, conveyors, day tanks, mixers, etc.

(14) Enclosures at drop points

(15) Conveying dry fly ash to silos with baghouse

(16) Wet process ash handling from Unit 4 to ash pond and/or dewatering bins

(The information describing the process contained in this facility description box is descriptive

information and does not constitute enforceable conditions.)

D.5.1 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The provisions of 40 CFR Part 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to facility PB-65 **and PB-67** except when otherwise specified in 40 CFR Part 60, Subpart OOO.

D.5.2 New Source Performance Standard (NSPS): Nonmetallic Mineral Processing Plants [326 IAC 12] [40 CFR 60, Subpart OOO]

(a) Pursuant to 326 IAC 12 and 40 CFR 60, Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants), for the limestone, **and** gypsum ~~and flyash~~ handling facilit**ies**~~y~~, PB-65 **and PB-67**, the Permittee shall not cause to be discharged into the atmosphere:

(1) From transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill, any stack emissions which:

(A) Contain particulate matter that exceeds 0.05 grains per dry standard cubic meter (g/dscm) (0.022 grains per dry standard cubic foot (g/dscf)); and

(B) Exhibit greater than a seven percent (7%) opacity. [40 CFR 60.672(a)]

(2) From truck hauling of limestone and gypsum~~/fly ash~~ on paved and unpaved roads, ~~use of front end loader on limestone pile, operation of a bulldozer,~~ and wind erosion of limestone **and gypsum** piles, any fugitive emissions which exhibit greater than ten percent (10%) opacity, except as provided in (a)(3), (4), and (5) of this condition. [40 CFR 60.672(b)]

(3) Truck **unloading** ~~dumping~~ of nonmetallic minerals into any screening operation, feed hopper, or crusher is exempt from the requirements of 40 CFR 60.672. [40 CFR 60.672(d)]

(4) If transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill are enclosed in a building, then each enclosed affected facility must comply with the emission limits in (a)(1), (2), and (3) of this condition, or the Permittee shall not cause to be discharged into the atmosphere:

(A) From transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill, any visible fugitive emissions except emissions from a vent as defined in 40 CFR 60.671.

(B) From any vent of any building enclosing any transfer point on a conveyor belt or any other affected facility, emissions which exceed the stack emission limits in (a)(1) of this condition. [40 CFR 60.672(e)]

(5) From any baghouses that control~~s~~ emissions from an individual silo, stack emissions which exhibit greater than seven percent (7%) opacity. Multiple silos with combined stack emissions shall comply with the emission limits in (a)(1) of this condition. [40 CFR 60.672(f)]

...

D.5.3 Particulate [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 operations performed at facilities PB-43 shall not exceed an amount determined by the following:~~

~~Interpolation and extrapolation 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~~**a**) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the particulate emission rate from the operations performed at facilities PB-51 shall not exceed an amount determined by the following:

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

$E = 55.0 P^{0.11} - 40$ where E = rate of emission in pounds per hour; and P = process weight rate in tons per hour.

When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed the pounds per hour limitation calculated using the above equation, provided the concentration of particulate in the discharge gases to the atmosphere is less than 0.10 pounds per one thousand (1,000) pounds of gases.

D.5.7 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

. . .

(c) Visible emission notations of the ballmill ~~and pugmill~~ exhaust shall be performed once per ~~shift~~ **day** during normal daylight operations when the ballmill ~~and pugmill are~~ **is** in operation. A trained employee shall record whether emissions are normal or abnormal.

. . .

Comment 60:

Condition D.5.3 - Particulate: This Condition is improperly imposed. The particulate emission limitations for manufacturing processes, 326 IAC 6-3-2, does not apply to these facilities, because they are not manufacturing processes.

Response to Comment 60:

Pursuant to 326 IAC 6-3-1.5, manufacturing process means any single or series of actions, operations, or treatments in which a mechanical, physical, or chemical transformation of material occurs that emits, or has the potential to emit, particulate in the production of the product. The term includes transference, conveyance, or repair of a product. The limestone, gypsum and flyash handling facilities qualify as manufacturing processes under this definition. No changes were made to the permit as a result of this comment.

Comment 61:

Condition D.5.4 - Fugitive Dust Emission Limitations: The word "storage" should be removed from the first line to conform to the Facility Description and for accuracy. The pond is a water treatment facility regulated under the NPDES permit system.

Response to Comment 61:

The unit description for ash pond area in Condition D.5.4 has been revised as a result of this comment.

In addition, 326 IAC 6-4 does not require the Permittee to take reasonable measures to mitigate fugitive dust during adverse weather conditions. This may not even be practical, for safety reasons, depending on the type of adverse weather conditions. Additionally, any ash pond area generating fugitive dust shall be in violation of 326 IAC 6-4. Therefore, Condition D.5.4 has been revised as follows:

D.5.4 Fugitive Dust Emission Limitations [326 IAC 6-4-2]

(a) Any ash ~~storage~~ pond area generating fugitive dust shall be in ~~deviation from~~ **violation of** this rule (326 IAC 6-4) if any of the following criteria are violated:

. . .

(b) Pursuant to 326 IAC 6-4-6(6) (Exceptions), fugitive dust from a source caused by adverse meteorological conditions will be considered an exception to this rule (326 IAC 6-4) and therefore not in violation.

~~Adverse weather conditions do not relieve a source from taking all reasonable measures to mitigate fugitive dust formation and transport. Failure to take reasonable measures during this period may be considered to be a deviation from this permit.~~

Comment 62:

Condition D.5.5 - Preventive Maintenance Plan: IDEM is without authority to impose the PMP requirements here. The reasons are set forth in Comment 2 of these comments. This provision should be deleted.

Response to Comment 62:

This condition has been removed in the response to Comment 2.

Comment 63:

Condition D.5.7 - Visible Emissions Notations: Conditions D.5.7(a) through (d) should provide for VE notations once per week during daylight operations. Once per shift is onerous and burdensome. D.5.7(e) incorporates the unlawful CRP requirement. IDEM's lack of authority to impose the CRP requirement is discussed in Comment 11. The same is true of D.5.7(f). Accordingly, both D.5.7(e) and (f) should be deleted.

Response to Comment 63:

Upon further review, IDEM has determined that once per day monitoring of the visible emission notations for the fly ash pond areas, ballmill exhaust, and all limestone/fly ash/gypsum transfer points at this source is generally sufficient to ensure proper operation of these emission units, which do not have add-on control devices. For the limestone/fly ash/gypsum silos which are controlled by baghouses, IDEM has determined that once per week monitoring of the visible emission notations are sufficient for the baghouse exhausts.

In addition, the condition for Compliance Response Plan in Section C has been replaced with the condition for Response to Excursions or Exceedances (see the response to Comment 11). Therefore, Condition D.5.7 has been revised as follows:

D.5.7 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the fly ash ~~storage~~ pond areas shall be performed at least once per ~~shift~~ **day** during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

. . .

(c) Visible emission notations of the ballmill ~~and pugmill~~ exhaust shall be performed once per ~~shift~~ **day** during normal daylight operations when the ballmill ~~and pugmill are~~ **is** in operation. A trained employee shall record whether emissions are normal or abnormal.

. . .

(d) Visible emission notations of the exhaust from all limestone/fly ash/gypsum transfer points shall be performed once per ~~shift~~ **day** during normal daylight when transferring the respective material. A trained employee shall record whether emissions are normal or abnormal.

(e) If visible emissions are observed crossing the property line or boundaries of the property, right-of-way, or easement on which the source is located, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

(f) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**. Observation of an abnormal emission that does 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 in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

. . .

Comment 64:

Condition D.5.8 - Baghouse Parametric Monitoring: IDEM does not have authority to impose these parametric monitoring requirements, and the CRP requirement is unlawful as set forth above Comment 11. The requirement of D.5.8(b) is based on the requirement of a PMP, which is addressed in Comment 2. IDEM does not have authority to impose that requirement. For these reasons, Condition D.5.8 should be deleted from the Permit.

Response to Comment 64:

Pursuant to 2-7-5(3), a Part 70 permit shall include the monitoring and the corresponding record keeping requirements to ensure continuous compliance with the emission limits set in a Part 70 permit. This rule gives IDEM the authority to include any necessary monitoring and recordkeeping requirements in a Part 70 permit. In order to ensure continuous compliance with the particulate emission and opacity limits for these crushers, the baghouse shall operate all the time when the coal crushers are in operation. Therefore, IDEM, OAQ believes that it is necessary to monitor the operating parameters for the baghouse.

Upon further review, IDEM has determined that once per week of monitoring of the baghouses in conjunction with the limestone/fly ash/gypsum silos at this source is generally sufficient to ensure proper operation of the baghouses. In addition, the condition for Compliance Response Plan in Section C has been replaced with the condition for Response to Excursions or Exceedances (see the response to Comment 11) and the Condition for Instrument Specifications has been revised (see the response to Comment 10). Therefore, Condition D.5.8 has been revised as follows to reflect the above changes:

D.5.8 Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The Permittee shall record the ~~total static~~ pressure drop across the baghouse**s** used in conjunction with the silos at least once per ~~shift~~ **week** when the silos are receiving material. When for any one reading, the pressure drop across the baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

(b) The instrument used for determining the pressure drop shall comply with Section C - ~~Pressure Gauge and Other~~ Instrument Specifications, and shall be calibrated in

accordance with the manufacturer's specifications. The specifications shall be available on site with the Preventive Maintenance Plan.

. . .

Comment 65:

Condition D.5.9 - Baghouse Inspections: IDEM does not have authority to impose these requirements, and the premise of D.5.9(b), that there will be a CRP, is unlawful. Accordingly, Condition D.5.9 should be deleted from the Permit.

Response to Comment 65:

This condition has been removed in the response to Comment 2.

Comment 66:

Condition D.5.10 - Broken or Failed Bag Detection: Since D.5.10(a) is premised on the CRP (which, as set forth in Comment 11, IDEM is without authority to require), D.5.10(a) should be removed. IDEM is authorized by law to issue an enforcement order upon discovering a violation, and the alleged violator is entitled to seek review of that order. Provisions like Condition D.5.10, which impose the remedial order before the violation has occurred, are unlawful and a deprivation of due process of law. For these reasons, Condition D.5.10 should be deleted from the Permit.

Response to Comment 66:

The baghouses must operate properly in order for the processes to achieve compliance with the applicable PM emission limits; therefore, IDEM believes it is reasonable and necessary to require the source to take appropriate response steps, as specified in Condition D.5.10, whenever bag failure occurs.

The condition for Compliance Response Plan in Section C has been replaced with the condition for Response to Excursions or Exceedances (see the response to Comment 11)

Upon further review, IDEM determined to revise Condition D.5.10 (now D.5.9) to address those processes that operate in batch mode. The condition required an emission unit to be shut down immediately in case of baghouse failure. However, IDEM is aware that there can be safety issues related to shutting down a process in the middle of a batch. IDEM also realizes that in some situations, shutting down an emissions unit mid-process can cause equipment damage. Therefore, since it is not always possible to shut down a process with material remaining in the equipment, IDEM has revised the condition to state that in the case of baghouse failure, the feed to the process must be shut off immediately, and the process shall be shut down as soon as practicable.

In addition, a new condition D.5.6 - Particulate Control, has been added to Section D.5 to require the Permittee to notify IDEM if a broken bag is detected and the control device will not be repaired for more than ten (10) days. This notification allows IDEM to take any appropriate actions if the emission unit will continue to operate for a long period of time while the control device is not operating in optimum condition.

Therefore, the following changes have been made to reflect the above changes:

D.5.6 Particulate Control [326 IAC 2-7-6(6)]

In the event that bag failure is observed in a multi-compartment baghouse, if operations will continue for ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

D.5.~~10~~**9** Broken or Failed Bag Detection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

~~In the event that bag failure has been observed~~:

~~(a) For multi-compartment units, the affected baghouse compartments will be shut down immediately until the failed units have been repaired or replaced. Within eight (8) business hours of the determination of failure, response steps according to the timetable described in the Compliance Response Plan shall be initiated. For any failure with corresponding response steps and timetable not described in the Compliance Response Plan, response steps shall be devised within eight (8) business hours of discovery of the failure and shall include a timetable for completion. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit. If operations continue after bag failure is observed and it will be ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.~~

(~~b~~**a**) For single compartment baghouse~~s~~, ~~if failure is indicated by a significant drop in the baghouse=s pressure readings with abnormal visible emissions or the failure is indicated by an opacity violation, or if bag failure is determined by other means, such as gas temperatures, flow rates, air infiltration, leaks, dust traces or triboflows, then~~ **controlling emissions from a process operated continuously, a** failed unit~~s~~ and the associated process ~~will~~ **shall** be shut down immediately until the failed unit~~s have~~ **has** been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

(b) For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit has been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the emission units. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

Comment 67:

Condition D.5.11 - Record Keeping Requirements: D.5.11(b) is premised upon Condition D.5.8, which, as set forth in Comment 64, is unlawful. Accordingly, that provision should be deleted. Similarly, D.5.11(c) is premised upon the illegal Condition D.5.9, and D.5.11(d) is premised upon the unlawful PMP requirement. These subconditions should be deleted from the Permit.

Response to Comment 67:

See the response to Comments 2 and 64.

IDEM agrees to remove the requirements in Conditions D.5.11(c) and (d). Therefore, Condition D.5.11 has been revised as follows:

D.5.~~11~~**10** Record Keeping Requirements

. . .

(b) To document compliance with Condition D.5.8, the Permittee shall maintain records of the

~~total static~~ pressure drop across each baghouse.

~~(c) To document compliance with Condition D.5.9, the Permittee shall maintain records of the results of the baghouse inspections.~~

~~(d) To document compliance with Condition D.5.5, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~

(~~e~~c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Comment 68:

Section D.6 - Facility Description Box: The words "related to manufacturing activities" should be deleted, because manufacturing does not occur.

Response to Comment 68:

Pursuant to 326 IAC 6-3-1.5, manufacturing process means any single or series of actions, operations, or treatments in which a mechanical, physical, or chemical transformation of material occurs that emits, or has the potential to emit, particulate in the production of the product. The term includes transference, conveyance, or repair of a product. Under this definition, manufacturing activities do occur. No changes were made to the permit as a result of this comment.

Comment 69:

Condition D.6.1 - Particulate Emission Limitations for Manufacturing Processes: This condition is unlawfully imposed, because Petersburg Generating Station is not a manufacturing operation. Therefore, 326 IAC 6-3 does not apply to the source. This condition should be deleted.

Response to Comment 69:

Pursuant to 326 IAC 6-3-1.5, manufacturing process means any single or series of actions, operations, or treatments in which a mechanical, physical, or chemical transformation of material occurs that emits, or has the potential to emit, particulate in the production of the product. The term includes transference, conveyance, or repair of a product. The following activities qualify as manufacturing processes under this definition: structural steel and bridge fabrication activities; coal bunker and coal scale exhausts and associated dust collector vents; 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; vents from ash transport systems not operated at positive pressure; and the following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment cutting torches, soldering equipment, welding equipment. No changes were made to the permit as a result of this comment.

Comment 70:

Section E - Facility Description Box: The Facility Description should be rewritten as indicated in Comment 1.

Response to Comment 70:

The following changes were made to the permit in response to this comment:

SECTION E TITLE IV CONDITIONS

Facility Description [326 IAC 2-7-5(15)]

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour**.** ~~, using~~ **Unit 1 uses** an electrostatic precipitator**,** and FGD scrubber **(installed in 1996)** as control, and low NO_X burner **(installed in 1995)** for NO_X reduction, and exhaust~~sing~~ to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour**.** ~~, using~~ **Unit 2 uses** an electrostatic precipitator**,** ~~and~~ FGD scrubber **(installed in 1996), and selective catalytic reduction (installed in 2004)** as control, and low NO_X burner for NO_X reduction, and exhaust~~sing~~ to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour**.**~~,~~ **Unit 3 uses** an electrostatic precipitator, ~~FGD scrubber and~~ selective catalytic reduction **(installed in 2004) and an FGD scrubber** as control, and exhaust~~sing~~ to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, **on which construction began** ~~constructed~~ in 1978 **and which began operation in 1986**, with a design capacity of 5550 MMBtu per hour**.**~~,~~ **Unit 4 uses** an electrostatic precipitator and FGD scrubber as control, and low NO_X burner **(installed in 2001)** for NO_X reduction, and exhaust~~sing~~ to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

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

Comment 71:

Section F - Facility Description Box: The four boiler descriptions should be rewritten as indicated in Comment 1.

Response to Comment 71:

The following changes were made to the permit in response to this comment:

SECTION F **NITROGEN OXIDES BUDGET TRADING PROGRAM - NO_X BUDGET PERMIT FOR NO_X BUDGET UNITS UNDER 326 IAC 10-4-1(A)**

ORIS Code: 994

NO_X Budget Source [326 IAC 2-7-5(15)]

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour**.** ~~, using~~ **Unit 1 uses** an electrostatic precipitator**,** and FGD scrubber **(installed in 1996)** as control, and low NO_X burner **(installed in 1995)** for NO_X reduction, and exhaust~~sing~~ to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour**.** ~~, using~~ **Unit 2 uses** an electrostatic precipitator**,** ~~and~~

FGD scrubber **(installed in 1996), and selective catalytic reduction (installed in 2004)** as control, and low NO_X burner for NO_X reduction, and exhaust~~sing~~ to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour**.**~~,~~ **Unit 3 uses** an electrostatic precipitator, ~~FGD scrubber and~~ selective catalytic reduction **(installed in 2004) and an FGD scrubber** as control, and exhaust~~sing~~ to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X)**,** ~~and~~ sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, **on which construction began** ~~constructed~~ in 1978 **and which began operation in 1986**, with a design capacity of 5550 MMBtu per hour**.**~~,~~ **Unit 4 uses** an electrostatic precipitator and FGD scrubber as control, and low NO_X burner **(installed in 2001)** for NO_X reduction, and exhaust~~sing~~ to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) **and carbon dioxide (CO_2)** and a continuous opacity monitor (COM).

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

Comment 72:

Reporting Forms: These forms should be rewritten to use the Source Address and Mailing Address indicated in Comment 1.

Response to Comment 72:

The following changes were made to the permit in response to this comment:

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

PART 70 OPERATING PERMIT
CERTIFICATION

Source Name: Indianapolis Power & Light Company - Petersburg Generating Station
Source Address: **6925 N.** State Road 57, Petersburg, Indiana 47567
Mailing Address: **P.O. Box 436, Petersburg, Indiana 46567**
~~Indianapolis Power & Light Company, Attn. Anne Heighway, 1230 West Morris Street, Indianapolis, Indiana 46221~~
Part 70 Permit No.: T125-6565-00002

. . .

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
100 North Senate Avenue
Indianapolis, Indiana 46204-2251
Phone: 317-233-~~567~~40178
Fax: 317-233-~~5967~~6865

PART 70 OPERATING PERMIT

EMERGENCY OCCURRENCE REPORT

Source Name: Indianapolis Power & Light Company - Petersburg Generating Station
Source Address: **6925 N.** State Road 57, Petersburg, Indiana 47567
Mailing Address: **P.O. Box 436, Petersburg, Indiana 46567**
~~Indianapolis Power & Light Company, Attn. Anne Heighway,~~
~~1230 West Morris Street, Indianapolis, Indiana 46221~~
Part 70 Permit No.: T125-6565-00002

. . .

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA Condition

PART 70 OPERATING PERMIT
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT

Source Name: Indianapolis Power & Light Company - Petersburg Generating Station
Source Address: **6925 N.** State Road 57, Petersburg, Indiana 47567
Mailing Address: **P.O. Box 436, Petersburg, Indiana 46567**
~~Indianapolis Power & Light Company, Attn. Anne Heighway,~~
~~1230 West Morris Street, Indianapolis, Indiana 46221~~
Part 70 Permit No.: T125-6565-00002

. . .

Comment 73:

The Permittee stated that a revised fugitive dust control plan was submitted in April 2004. Therefore, the reference date in Condition C.6 - Fugitive Particulate Matter Emission Limitations should be revised to reflect the date the revised control plan was submitted.

Response to Comment 73:

Condition C.6 has been revised as follows as a result of this comment:

C.6 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted ~~on November 18, 1991~~ **in April 2004**. The plan is included as Appendix D to the permit.

Comment 74:

The Permittee stated that the emergency reduction plan for this source was revised in May 2002. The Permittee requested the reference date in Condition C.16 – Emergency Reduction Plan be revised to reflect the date the revised plan was submitted.

Response to Comment 74:

Condition C.16 has been revised as follows as a result of this comment:

C.16 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 prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures ~~on June 25, 1998~~ **in May 2002**.

. . .

Upon further review, the OAQ has decided to make the following revisions to the permit (bolded language has been added, the language with a line through it has been deleted).

1. The mailing address for IDEM has been changed throughout the permit as follows:

Indiana Department of Environmental Management
100 North Senate Avenue~~, P.O. Box 6015~~
Indianapolis, Indiana ~~46206-6015~~ **46204-2251**

2. For clarification, IDEM, OAQ has made the following revision to Condition B.8:

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

(a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by a responsible official of truth, accuracy, and completeness. This certification shall state

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

(b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification. One (1) certification ~~can~~ **may** cover multiple forms in one (1) submittal.

(c) A responsible official is defined at 326 IAC 2-7-1(34)

3. IDEM has decided to include the following updates to further address and clarify the permit term and the term of the conditions.

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 15-13-6(a)]**

(a) This permit**, T125-6565-00002,** 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.13 Prior Permits Superseded [326 IAC 2-1.1-9.5] **[326 IAC 2-7-10.5]**

(a) All terms and conditions of ~~previous~~ permits **established prior to T125-6565-0000 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.**

~~by this permit.~~

(b) **Provided that all terms and conditions are accurately reflected in this permit,** ~~A~~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.16 Permit Renewal [326 IAC 2-7-3] [326 IAC 2-7-4] **[326 IAC 2-7-8(e)]**

. . . .

(b) ~~Timely Submittal of Permit Renewal [326 IAC 2-7-4(a)(1)(D)]~~

~~(1)~~ A timely renewal application is one that is:

(~~A~~**1**) Submitted at least nine (9) months prior to the date of the expiration of this permit; and

(~~B~~**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.

~~(2) If IDEM, OAQ, upon receiving a timely and complete 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.~~

(c) ~~Right to Operate After Application for Renewal [326 IAC 2-7-3]~~
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 in writing by IDEM, OAQ, any additional information identified as being needed to process the application.

~~(d) United States Environmental Protection Agency Authority [326 IAC 2-7-8(e)]~~
~~If IDEM, OAQ, fails to act in a timely way on a Part 70 permit renewal, the U.S. EPA may invoke its authority under Section 505(e) of the Clean Air Act to terminate or revoke and reissue a Part 70 permit.~~

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.

4. In accordance with the credible evidence rule (62 Fed. Reg. 8314, Feb 24, 1997); Section 113(a) of the Clean Air Act, 42 U.S. C. ' 7413 (a); and a letter from the United States Environmental Protection Agency (U.S. EPA) to IDEM, OAQ dated May 18, 2004, all permits must address the use of credible evidence. IDEM, OAQ is required to incorporate credible evidence provisions into state rules consistent with the SIP call published by U.S. EPA in 1997 (62 FR 8314). Therefore, IDEM, OAQ has incorporated the credible evidence provision in 326 IAC 1-1-6. This rule became effective March 16, 2005 and was incorporated into your permit as follows:

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

~~Notwithstanding the conditions of this permit that state specific methods that may be used to demonstrate compliance with, or a violation of, applicable requirements, any person (including the Permittee) may also use other credible evidence to demonstrate compliance with, or a violation of, any term or condition of this permit.~~ **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.

5. In order to reflect the NSR reform rules, Conditions B.17, C.21 and C.22 have been revised as follows:

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

. . .

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

C.21 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6] **[326 IAC 2-2] [326 IAC 2-3]**

. . .

(c) If there is a reasonable possibility that a "project" (as defined in 326 IAC 2-2-1 (qq) and/or 326 IAC 2-3-1 (ll)) at an existing emissions unit, other than projects at a Clean Unit (or at a source with Plant-wide Applicability Limitation (PAL)), which is not part of a "major modification" (as defined in 326 IAC 2-2-1 (ee) and/or 326 IAC 2-3-1 (z)) may result in significant emissions increase and the Permittee elects to utilize the "projected actual emissions" (as defined in 326 IAC 2-2-1 (rr) and/or 326 IAC 2-3-1 (mm)), the Permittee shall comply with following:

(1) Before beginning actual construction of the "project" (as defined in 326 IAC 2-2-1 (qq) and/or 326 IAC 2-3-1 (ll)) 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(rr)(2)(A)(iii) and/or 326 IAC 2-3-1(mm)(2)(A)(iii); and

(iv) An explanation for why the amount was excluded, and any netting calculations, if applicable.

(2) 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 (1)(B) above; and

(3) 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.22 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11] **[326 IAC 2-2] [326 IAC 2-3]**

. . .

(f) If the Permittee is required to comply with the recordkeeping provisions of (c) 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 (ll)) at an existing Electric Utility Steam Generating Unit, then for that project the Permittee shall:

(1) Submit to IDEM, OAQ a copy of the information required by (c)(1) in Section C- General Record Keeping Requirements

(2) Submit a report to IDEM, OAQ within sixty (60) days after the end of each year during which records are generated in accordance with (c)(2) and (3) in Section C- General Record Keeping Requirements. The report shall contain all information and data describing the annual emissions for the emissions units during the calendar year that preceded the submission of report.

Reports required in this part shall be submitted to:

Indiana Department of Environmental Management
Air Compliance Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

(g) If the Permittee is required to comply with the recordkeeping provisions of (c) 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 (ll)) at an existing emissions unit other than Electric Utility Steam Generating Unit, and the project meets the following criteria, then the Permittee shall submit a report 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 (xx) and/or 326 IAC 2-3-1 (qq), 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).

(h) The report for project at an existing emissions unit other than Electric Utility Steam Generating Unit shall be submitted within 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 (c)(2) and (3) 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 deems fit to include in this report,

Reports required in this part shall be submitted to:

Indiana Department of Environmental Management
Air Compliance Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

(i) 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.

6. To clarify the recordkeeping and recording requirements for 40 CFR 63, Subpart ZZZZ, IDEM, OAQ has revised Condition D.3.3 as follows. In addition, Condition D.3.4 has been added:

D.3.3 National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines - Notification Requirements [40 CFR 63, Subpart ZZZZ]

~~(a) Pursuant to 40 CFR 63.6645, the Permittee shall submit the notifications in 40 CFR 63.9(b), which include the following:~~

~~(1) An Initial Notification containing the information specified in 40 CFR 63.9(b)(2) not later than 120 days after the effective date of 40 CFR 63, Subpart ZZZZ as required by 40 CFR 63.6645(b).~~

(a) Pursuant to 40 CFR 63.6645, the Permittee shall submit the notifications in 40 CFR 63.7(b) and (c), 63.8(e), (f)(4) and (f)(6), and 63.9(b) through (e), and (g) and (h) that apply to the affected sources by the dates specified. These notifications include, but are not limited to, the following:

(1) If required to conduct a performance test, a notification of intent to conduct a performance test at least 60 days before the performance test is scheduled to begin as required by 40 CFR 63.7(b)(1) and 40 CFR 63.6645(e).

(2) A Notification of Compliance Status containing the information required by 40 CFR 63.9(h)(2)(ii) in accordance with 40 CFR 63.6645(f). The Notification of Compliance Status must be submitted:

(A) Before the close of business on the 30th day following the completion of the initial compliance demonstration, for each initial compliance demonstration that does not include a performance test.

(B) Before the close of business on the 60th day following the completion of the performance test according to 40 CFR 63.10(d)(2), for each initial compliance demonstration that includes a performance test. The performance test results shall also be submitted.

(3) If required to use a continuous monitoring system (CMS), notifications, if required, as specified in 40 CFR 63.9(g), by the date of submission of the notification of intent to conduct a performance test.

(b) The notifications required by paragraph (a) shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204**-2251**

The notifications require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

D.3.4 Requirement to Submit a Significant Permit Modification Application [326 IAC 2-7-12][326 IAC 2-7-5]

The Permittee shall submit an application for a significant permit modification to IDEM, OAQ to include information regarding which compliance option or options will be chosen in the Part 70 permit for the affected sources.

(a) The significant permit modification application shall be consistent with 326 IAC 2-7-12, including information sufficient for IDEM, OAQ to incorporate into the Part 70 permit the applicable requirements of 40 CFR 63, Subpart ZZZZ, a description of the affected sources and activities subject to the standard, and a description of how the Permittee will meet the applicable requirements of the standard.

(b) The significant permit modification application shall be submitted no later than nine months prior to the compliance date as specified in 40 CFR 63.6595(a)(1).

(c) The significant permit modification application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

7. Sections E and F of the permit provide the Acid Rain and NOx SIP requirements. IDEM has clarified Condition B.20 - Operational Flexibility as follows:

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), (c), or (e), without a prior permit revision, if each of the following conditions is met:

. . .

(3) The changes do not result in emissions which exceed the ~~emissions allowable under~~ **limitations provided in** this permit (whether expressed herein as a rate of emissions or in terms of total emissions);

. . .

(5) The Permittee maintains records on-site ~~which document,~~ on a rolling five (5) year basis, **which document** all such changes and emission~~s trading~~ **trades** that are subject to 326 IAC 2-7-20(b), (c), or (e)**.** ~~and makes~~ **The Permittee shall make** such records available, upon reasonable request, for public review.

. . .

(c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade **emissions** increases and decreases ~~in emissions in~~ **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).

. . .

(f) This condition does not apply to emission trades of SO_2 or NOx under 326 IAC 21 or 326 IAC 10-4.

8. The Permittee received Significant Source Modification (SSM) #125-20083-00002, issued on June 7, 2005, to construct and operate a new fly ash railcar loading operation BH-N. On September 26, 2005, SSM #125-21340-00002 was issued to this source to allow the construction and operation of an additional fly ash railcar loading operation from Ash Silo 3 and the replacement of the

baghouse for the existing Ash Silo 3. Therefore, the new emission units permitted in SSM #125-20083-00002 and SSM #125-21340-00002 have been added to Condition A.2 and the permit conditions in these modifications have been incorporated to this Part 70 Operating Permit as Section D.7.

Since the new fly ash railcar loading operations are controlled by baghouses, IDEM has determined that once per week visible emission notation and pressure drop monitoring is sufficient to ensure proper operation of the fly ash railcar loading operations and the associated control devices. Therefore, the visible emission notation and pressure drop monitoring frequencies for these units have been revised from once per shift to be once per week.

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

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

. . .

(l) Ash and FGD sludge (filter cake) handling facility, identified as PB-51, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:

. . .

(5) Conveying dry fly ash to silos with baghouse **B-10.**

. . .

(m) One (1) fly ash railcar loading operation, identified as BH-N, constructed in 2005, with a maximum throughput rate of 37.5 tons of fly ash per hour, controlled by a baghouse, and exhausting through stack 101.

(n) One (1) fly ash railcar loading operation from Ash Silo 3, constructed in 2005, with a maximum throughput rate of 200 tons of fly ash per hour, with an enclosed drop from Silo 3 to an air-fluidized enclosed loadout slide from the silo and a gasketed drop to enclosed railroad cars, controlled by baghouse B-11, and exhausting through stack 11.

SECTION D.5 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Limestone/Fly Ash/Gypsum Handling Facilities

. . .

(l) Ash and FGD sludge (filter cake) handling facility, identified as PB-51, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:

. . .

(5) Conveying dry fly ash to silos with baghouse **B-10.**

. . .

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

SECTION D.7 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Fly Ash Loadout Operations

(m) One (1) fly ash railcar loading operation, identified as BH N, constructed in 2005, with a maximum throughput rate of 37.5 tons of fly ash per hour, controlled by a baghouse, and exhausting through stack 101.

(n) One (1) fly ash railcar loading operation from Ash Silo 3, constructed in 2005, with a maximum throughput rate of 200 tons of fly ash per hour, with an enclosed drop from

Silo 3 to an air-fluidized enclosed loadout slide from the silo and a gasket drop to enclosed railroad cars, controlled by baghouse B-11, and exhausting through stack 11.

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

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

D.7.1 PSD Minor Limits [326 IAC 2-2]

In order to render the requirements of 326 IAC 2-2 (PSD) not applicable, the Permittee shall comply with the following:

Unit Description	PM Limit (lbs/hr)	PM10 Limit (lbs/hr)	Construction Permit
Fly Ash Railcar Loading Operation BH-N	5.68	3.40	SSM #125-20083-00002, issued on June 7, 2005
Fly Ash Rail Loading Operation from Ash Silo 3	5.69	3.40	SSM #125-21340-00002, issued on September 26, 2005

Therefore, the emissions from each of the fly ash railcar loading operations are limited to less than 25 tons/yr for PM and less than 15 tons/yr for PM10, and the requirements of 326 IAC 2-2 (PSD) are not applicable to these operations when they were constructed.

D.7.2 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), particulate emission rate from the fly ash railcar loading operations shall not exceed the emission limits listed in the table below:

Unit Description	Max. Throughput Rate (tons/hr)	Particulate Emission Limit (lbs/hr)
Fly Ash Railcar Loading Operation BH-N	37.5	41.9
Fly Ash Rail Loading Operation from Ash Silo 3	200	58.5

The emission limits above were calculated using the equation below:

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

$$E = 55.0\ P^{0.11} - 40$$ **where E = rate of emission in pounds per hour; and P = process weight rate in tons per hour.**

Compliance Determination Requirement

D.7.3 PM and PM 10 Control

(a) In order to comply with Conditions D.7.1 and D.7.2, the baghouses for particulate control shall be in operation and control emissions from the fly ash railcar loading operations at all times that these units are in operation.

(b) In the event that bag failure is observed in a multi-compartment baghouse, if operations will continue for ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly

notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

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

D.7.4 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the baghouse stack exhausts (stacks 101 and 11) for the fly ash railcar loading operations shall be performed at least once per week during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

(b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(c) 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.

(d) 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.

(e) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Observation of an abnormal emission that does 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 in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

D.7.5 Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

The Permittee shall record the pressure drop across the baghouses used in conjunction with the fly ash railcar loading operations at least once per week. When for any one reading, the pressure drop across the baghouse is outside the normal ranges listed in the table below or range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

Unit Description	Baghouse Stack ID	Pressure Drop Range (inches of water)
Fly Ash Railcar Loading Operation BH-N	101	1.0 - 6.0
Fly Ash Rail Loading Operation from Ash Silo 3	11	2.0 - 6.0

The instrument used for determining the pressure shall comply with Section C - Instrument Specifications, and shall be calibrated in accordance with the manufacturer's specifications. The specifications shall be available on site with the Preventive Maintenance Plan.

D.7.6 Broken or Failed Bag Detection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) For a single compartment baghouse controlling emissions from a process operated continuously, a failed unit and the associated process shall be shut down

immediately until the failed unit has been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

(b) For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit has been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the emission units. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

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

D.7.7 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.7.4, the Permittee shall maintain records of the visible emission notations for the fly ash railcar loading operations.

(b) To document compliance with Condition D.7.5, the Permittee shall maintain once per week records of the pressure drop across the baghouses for the fly ash railcar loading operations.

(c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

9. Upon further review, IDEM has decided to remove paragraph (f) concerning nonroad engines from Condition B.18 - Permit Amendment or Modification. 40 CFR 89, Appendix A specifically indicates that states are not precluded from regulating the use and operation of nonroad engines, such as regulations on hours of usage, daily mass emission limits, or sulfur limits on fuel; nor are permits regulating such operations precluded, once the engine is no longer new. Therefore, Condition B.18 has been revised as follows:

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

. . .

~~(f) No permit amendment or modification is required for the addition, operation or removal of a nonroad engine, as defined in 40 CFR 89.2.~~

10. The phone number and the fax number listed in Emergency Provisions has been changed so that the OAQ's receptionist number is listed and the fax number for the compliance branch is listed. These numbers are changed as shown throughout the permit.

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

. . .

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

. . .

(4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, 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 Section), or
Telephone Number: 317-233-~~5674~~**0178** (ask for Compliance Section)
Facsimile Number: 317-233-~~5967~~**6885**.

. . .

11. 326 IAC 4-2 has been incorporated into SIP. Therefore, the requirements in 326 IAC 4-2 are federally enforceable and Condition C.4 (Incineration) has been revised as follows:

C.4 Incineration [326 IAC 4-2] [326 IAC 9-1-2]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and 326 IAC 9-1-2. ~~326 IAC 9-1-2 is not federally enforceable.~~

Indiana Department of Environmental Management
Office of Air Quality

Technical Support Document (TSD) for a Part 70 Operating Permit

Source Background and Description

Source Name:	Indianapolis Power & Light Company – Petersburg Generating Station
Source Location:	State Road 57, Petersburg, Indiana 47567
County:	Pike
SIC Code:	4911
Operation Permit No.:	125-6565-00002
Permit Reviewer:	ERG/AO

The Office of Air Quality (OAQ) has reviewed a Part 70 Operating Permit application from Indianapolis Power & Light Company – Petersburg Generating Station relating to the operation of a utility electric generation plant.

This Part 70 operating permit contains provisions intended to satisfy the requirements of the construction permit rules.

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted emission units and pollution control devices:

(a) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour, using an electrostatic precipitator and FGD scrubber as control, and low NO_X burner for NOx reduction, and exhausting to stack 1-1(s) or bypass stack 1-1(b). Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour, an electrostatic precipitator and FGD scrubber as control, and low NO_X burner for NOx reduction, and exhausting to stack 2-1(s) or bypass stack 2-1(b). Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour, an electrostatic precipitator, FGD scrubber and selective catalytic reduction as control, and exhausting to stack 3-1. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(d) One (1) coal/No. 2 fuel oil fired boiler, identified as Unit 4, constructed in 1978, with a design capacity of 5550 MMBtu per hour, an electrostatic precipitator and FGD scrubber as control, and low NO_X burner for NOx reduction, and exhausting to stack 4-1. Unit 4 has continuous emissions monitors (CEMs) for nitrogen oxides (NO_X) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(e) One (1) emergency diesel internal combustion engine/generator, identified as PB-2, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB2-1.

(f) One (1) emergency diesel internal combustion engine/generator, identified as PB-3, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB3-1.

(g) One (1) emergency diesel internal combustion engine/generator, identified as PB-4, constructed prior to 1967, with a design capacity of 28.4 MMBtu per hour, and exhausting to stack PB4-1.

(h) Coal transfer operations, identified as PB-45 on units 1 and 2, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of a bulk material conveyor to an outside storage pile, with an enclosure at the coal drop points for dust control.

(i) Coal unloading and storage operations on units 1 and 2, identified as PB-47, constructed in 1963, with a maximum throughput of 901.8 tons per hour, consisting of a haul truck, front end loader and bulldozer to an outside storage pile, with no dust control device.

(j) Coal crushing operations on units 3 and 4, identified as PB-48, constructed in 1973, with a maximum throughput of 901.8 tons per hour, with an enclosure for dust control.

(k) A limestone, gypsum and fly ash handling facility used with Units 1 and 2 FGD scrubbers, identified as PB-65, constructed in 1993, with a maximum limestone throughput of 102.7 tons per hour and a maximum combined gypsum and flyash throughput of 250.2 tons per hour, consisting of the following operations:

(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;

(2) Use of front end loader on limestone pile;

(3) Wind erosion of limestone pile;

(4) Dumping limestone or gypsum/fly ash into hopper;

(5) Transfer from hopper to conveyors and feeder;

(6) Transfer from feeder to silo and ballmill;

(7) Baghouses on the silos;

(8) Operation of a bulldozer; and

(9) Wet process ash handling, with ash stored in an ash pond.

(l) A limestone, gypsum and fly ash handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-43, constructed in 1973, with a maximum throughput of 22.8 tons per hour, consisting of the following operations:

(1) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;

(2) Use of front end loader on limestone pile;

(3) Wind erosion of limestone pile;

(4) Dumping limestone or gypsum/fly ash into hopper;

(5) Transfer from hopper to conveyors and feeder;

(6) Transfer from feeder to silo and ballmill;

(7) Baghouses on the silos;

(8) Operation of a bulldozer; and

(9) Wet process ash handling, with ash stored in an ash pond.

(m) Fly ash/FGD sludge handling facility used with Units 3 and 4 FGD scrubbers, identified as PB-51, constructed in 1973, with a maximum throughput of 305.4 tons per hour, consisting of the following operations:

(1) Conveying fly ash to silos with baghouse;

(2) Transfer from hoppers to screw conveyors, to feeders and to pugmill mixer;

(3) Free fall from overhead conveyor to pile;

(4) Wind erosion from pile;

(5) Use of front-end loader on pile;

(6) Truck hauling on paved & unpaved roads; and

(7) Wet process ash handling, with ash stored in an ash pond.

Unpermitted Emission Units and Pollution Control Equipment

There are no unpermitted emission units operating at this source during this review process.

Insignificant Activities

The source also consists of the following insignificant activities, as defined in 326 IAC 2-7-1(21):

(a) The following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment cutting torches, soldering equipment, welding equipment. [326 IAC 6-3-2]

(b) Structural steel and bridge fabrication activities: cutting 20,000 linear feet or less of one inch (1") plate or equivalent, using 80 tons or less of welding consumables. [326 IAC 6-3-2].

(c) Coal bunker and coal scale exhausts and associated dust collector vents. [326 IAC 6-3-2]

(d) 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 6-3-2]

(e) Vents from ash transport systems not operated at positive pressure. [326 IAC 6-3-2]

(f) Paved and unpaved roads and parking lots with public access. [326 IAC 6-4] [326 IAC 6-5]

(g) Activities with emissions equal to or less than the following thresholds: 5 lb/hr or 25 lb/day PM; 5 lb/hr or 25 lb/day SO_2; 5 lb/hr or 25 lb/day NO_X; 3 lb/hr or 15 lb/day VOC; 0.6 tons per year Pb; 1.0 ton/yr of a single HAP, or 2.5 ton/yr of any combination of HAPs:

(1) Coal Pile Wind Erosion [326 IAC 6-4] [326 IAC 6-5];

(2) Fly ash/FGD Sludge Landfill Drop Points [326 IAC 6-4] [326 IAC 6-5];

(3) Fly ash/FGD Sludge Landfill Wind Erosion [326 IAC 6-4] [326 IAC 6-5];

(4) Two hydrazine storage tanks (300 gallons each);

(5) Two hydrazine mixing tanks (150 gallons each);

(6) Diesel Fuel Oil Tanks (less than 300 gallons);

(7) Diesel Fuel Oil Tanks (less than 1100 gallons);

(8) Diesel Fuel Oil Tanks (250 gallons);

(9) Diesel Fuel Oil Tanks (550 gallons);

(10) Parts Cleaner/Degreasers;

(11) Fuel Oil Tank #2 (200,000 gallons);

(12) Fuel Oil Tank #3 (300,000 gallons);

(13) Chlorine Gas Cylinders;

(14) Water Treatment Lime Silo; and

(15) Freon Usage.

(h) Combustion source flame safety purging on startup.

(i) A gasoline fuel transfer and dispensing operation handling less than or equal to 1,300 gallons per day, such as filling of tanks, locomotives, automobiles, having a storage capacity less than or equal to 10,500 gallons

(j) A petroleum fuel, other than gasoline, dispensing facility, having a storage capacity of less than or equal to 10,500 gallons, and dispensing less than or equal to 230,000 gallons per month.

(k) The following VOC and HAP storage containers: Storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons; Vessels storing lubricating oils, hydraulic oils, and machining fluids.

(l) Refractory storage not requiring air pollution control equipment.

(m) Cleaners and solvents characterized as follows:

(1) Having a vapor pressure equal to or less than 2 kPa; 15mm Hg; or 0.3 psi measured at 38°C (100°F); or

(2) Having a vapor pressure equal to or less than 0.7 kPa; 5 mm 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.

(n) Closed loop heating and cooling systems.

(o) Rolling oil recovery systems.

(p) Activities associated with the treatment of wastewater streams with an oil and grease content less than or equal to 1% by volume.

(q) Activities associated with the transportation and treatment of sanitary sewage, provided discharge to the treatment plant is under the control of the owner/operator, that is, an on-site sewage treatment facility.

(r) Any operation using aqueous solutions containing less than 1% by weight VOCs excluding HAPs.

(s) Noncontact, forced and induced, draft cooling tower system not regulated under a NESHAP.

(t) Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.

(u) Heat exchanger cleaning and repair.

(v) Process vessel degassing and cleaning to prepare for internal repairs.

(w) Purging of gas lines and vessels that are related to routine maintenance and repair of buildings, structures, or vehicles at the source where air emissions from those activities would not be associated with any production process.

(x) Flue gas conditioning systems and associated chemicals such as the following: sodium sulfate; ammonia; and sulfur trioxide.

(y) Equipment used to collect any material that might be released during a malfunction, process upset, or spill cleanup, including catch tanks, temporary liquid separators, tanks, and fluid handling equipment.

(z) Blowdown for any of the following: sight glass; boiler; compressors; pumps; and cooling tower.

(aa) Asbestos abatement projects regulated by 326 IAC 14-10.

(bb) On-site fire and emergency response training approved by the department.

(cc) Emergency generators as follows: gasoline generators not exceeding 110 horsepower; diesel generators not exceeding 1600 horsepower.

(dd) Filter or coalescer media changeout.

(ee) A laboratory as defined in 326 IAC 2-7-1(21)(D).

Existing Approvals

The source has constructed or has been operating under the following previous approvals:

(a) PSD (63) 1156, issued on February 21, 1978;

(b) OP 63-02-90-0072, issued on December 3, 1985;

(c) OP 63-02-90-0068, issued on January 18, 1988;

(d) OP 63-02-90-0069, issued on January 18, 1988;

(e) OP 63-02-90-0070, issued on January 18, 1988;

(f) OP 63-02-90-0071, issued on January 18, 1988;

(g) Amendment to OP 63-02-90-0068 and OP 63-02-90-0069, issued April 29, 1988;

(h) Amendment to OP 63-02-90-0070, issued on April 29, 1988;

(i) CP (63) 1828, issued on October 31, 1990;

(j) R 125-2291-00002, issued on February 25, 1992;

(k) CP 125-2421-00002, issued on February 1, 1993;

(l) AR 125-5115-00002, issued on December 31, 1997; and

(m) SPM 125-12171-00002, issued on February 20, 2001.

All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either incorporated as originally stated, revised, or deleted by this permit. All previous registrations and permits are superseded by this permit.

The following terms and conditions from previous approvals have been determined no longer applicable; therefore, were not incorporated into this Part 70 permit:

(a) All construction conditions from all previously issued permits.

Reason not incorporated: All facilities previously permitted have already been constructed; therefore, the construction conditions are no longer necessary as part of the operating permit. Any facilities that were previously permitted but have not yet been constructed would need new pre-construction approval before beginning construction.

(b) Condition 4 from CP 125-2421-00002, issued February 1, 1993:
The particulate matter emissions from the limestone, gypsum, and fly ash handling facilities (PB-65) shall comply with 326 IAC 6-3. The PM emissions will be considered in compliance with 326 IAC 6-3 provided that:

(1) All 99.5% efficient bag filters are operated at all times during operation; and

(2) Visible bag filter emissions do not exceed 10% opacity.

Reason not incorporated:
As stated in the State Rule Applicability - 326 IAC 6-3-2 section of this document, the limestone, gypsum, and fly ash handling facilities (PB-65) are exempt from the requirements of 326 IAC 6-3-2 pursuant to 326 IAC 6-3-1(c)(5). They are subject to a more stringent requirement pursuant to 40 CFR Part 60, Subpart OOO.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Part 70 permit be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An administratively complete Part 70 permit renewal application for the purposes of this review was received on September 13, 1996.

A notice of completeness letter was mailed to the Permittee on November 1, 1996.

Emission Calculations

See Appendix A pages 1 through 9 of this document for detailed emission calculations.

Potential to Emit of the Source

Pursuant to 326 IAC 2-1.1-1(16), the Potential to Emit is defined as "the maximum capacity of a stationary source or emissions 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, the department, or the appropriate local air pollution control agency."

Pollutant	Potential to Emit (tons/yr)
PM	greater than 100
PM10	greater than 100
SO_2	greater than 100
VOC	greater than 100
CO	greater than 100
NO_X	greater than 100

HAPs	Potential to Emit (tons/yr)
Hydrogen Chloride	greater than 10
Hydrogen Fluoride	greater than 10
Benzene	less than 10
Formaldehyde	less than 10
Lead	less than 10
Mercury	less than 10
Nickel	less than 10
Arsenic	less than 10
Selenium	less than 10
Beryllium	less than 10
Cadmium	less than 10
Chromium	less than 10
Manganese	less than 10
Cyanide	less than 10
Sulfuric Acid Mist	greater than 10
Total	**greater than 25**

(a) The potential to emit (as defined in 326 IAC 2-7-1(29)) of PM-10, SO_2, VOC, CO and NO_X are equal to or greater than 100 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

(b) The potential to emit (as defined in 326 IAC 2-7-1(29)) of any single HAP is equal to or greater than ten (10) tons per year and the potential to emit (as defined in 326 IAC 2-7-1(29)) of a combination of HAPs is equal to or greater than twenty-five (25) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

(c) Fugitive Emissions
Since this type of operation is one of the twenty-eight (28) listed source categories under 326 IAC 2-2 and since there are applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive emissions are counted toward determination of PSD and Emission Offset applicability.

Actual Emissions

The following table shows the actual emissions from the source. This information reflects the 2002 OAQ emission data.

Pollutant	Actual Emissions (tons/year)
PM	not reported
PM10	697
SO_2	47,179
VOC	186
CO	1,330
NO_X	19,952
HAP (specify)	not reported

County Attainment Status

The source is located in Pike County.

Pollutant	Status
PM10	Attainment
SO_2	Attainment
NO_2	Attainment
Ozone (1-hr and 8-hr)	Attainment
CO	Attainment
Lead	Attainment

(a) Volatile organic compounds (VOC) and Nitrogen Oxides (NOx) 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 emissions and NOx are considered when evaluating the rule applicability relating to ozone. Pike County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions and NOx were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability section.

(b) Pike County has been classified as attainment or unclassifiable in Indiana for PM-10, SO_2, CO and Lead. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability section.

Part 70 Permit Conditions

This source is subject to the requirements of 326 IAC 2-7, pursuant to which the source has to meet the following:

(a) Emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of issuance of Part 70 permits.

(b) Monitoring and related record keeping requirements which assure that all reasonable information is provided to evaluate continuous compliance with the applicable requirements.

Federal Rule Applicability

(a) This source is subject to the provisions of 40 CFR Part 64, Compliance Assurance Monitoring. In order for this rule to apply, a specific emissions unit must meet three criteria for a given pollutant: 1) the unit is subject to an emission limitation or standard for the applicable regulated air pollutant, 2) the unit uses a control device to achieve compliance with any such emission limitation or standard, and, 3) the unit has potential pre-control device emissions of the applicable regulated air pollutant that are equal or greater than 100 percent of the amount required for a source to be classifies as a major source. Several facilities at this source satisfy these three criteria. The Part 70 permit application was submitted prior to April 20, 1998; therefore, pursuant to 40 CFR 64.5(a)(3), the source (and the subject facilities contained therein) is required to submit the information required under 40 CFR 64.4 as part of the Part 70 permit renewal application.

(b) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart D - Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After August 17, 1971) are not included in the permit for Unit 1 and Unit 2. Construction on each boiler commenced prior to August 17, 1971.

Unit 3 and Unit 4 are subject to the requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart D - Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After August 17, 1971) because construction on each boiler commenced after August 17, 1971 and each boiler has a heat input rate greater than 250 MMBtu per hour.

Pursuant to 326 IAC 12 and 40 CFR 60, Subpart D (Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After August 17, 1971), emissions from Unit 3 and Unit 4 shall not exceed the following:

(1) For particulate matter:

(A) One-tenth (0.10) pound PM per million Btu (MMBtu) heat input derived from fossil fuel. [40 CFR 60.42(a)(1)]

(B) Twenty percent (20%) opacity except for one six-minute period per hour of not more than twenty-seven percent (27%) opacity. [40 CFR 60.42(a)(2)] Pursuant to 40 CFR 60.11(c), this opacity standard is not applicable during periods of startup, shutdown, or malfunction.

(2) For sulfur dioxide:

(A) Eight-tenths (0.80) pound SO_2 per million Btu (MMBtu) heat input derived from liquid fossil fuel. [40 CFR 60.43(a)(1)]

(B) One and two-tenths (1.2) pound SO_2 per million Btu (MMBtu) heat input derived from solid fossil fuel. [40 CFR 60.43(a)(2)]

(C) When combusting different fossil fuels simultaneously, the applicable SO_2 limit shall be determined using the formula in 40 CFR 60.43(b).

(3) For nitrogen oxides:

(A) Three-tenths (0.30) pound NO_X per million Btu (MMBtu) heat input derived from liquid fossil fuel. [40 CFR 60.44(a)(2)]

(B) Seven-tenths (0.70) pound NO_X per million Btu (MMBtu) heat input derived from solid fossil fuel (except lignite or a solid fossil fuel containing twenty-five percent (25%), by weight, or more of coal refuse). [40 CFR 60.44(a)(3)]

(C) When combusting different fossil fuels simultaneously, the applicable NO_X limit shall be determined using the formula in 40 CFR 60.44(b).

(c) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Da - Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After September 18, 1978) are not included in the permit for Units 1 through 4. Construction on each boiler commenced prior to September 18, 1978.

(d) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Db - Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units) are not included in the permit for Units 1 through 4. Construction on each boiler commenced prior to June 19, 1984.

(e) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Dc - Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units) are not included in the permit for Units 1 through 4. Construction on each boiler commenced prior to June 9, 1989.

(f) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) are not included in the permit for facility PB-48, which performs coal crushing activities, and the insignificant coal pile wind erosion. Coal is not a nonmetallic mineral as defined in 40 CFR 60.671.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) are not included in the permit for the insignificant flyash/FGD sludge landfill drop point and wind erosion. The facilities do not perform non-metallic mineral processing activities as defined in 40 CFR 60.671.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) are not included in the permit for facilities PB-43 and PB-51. The facilities were each constructed prior to August 1, 1983.

(g) The following facilities are subject to the requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) because they perform nonmetallic mineral processing and were constructed after August 1, 1983:

A limestone, gypsum and fly ash handling facility used with Units 1 and 2 FGD scrubbers, identified as PB-65, consisting of the following operations:

(A) Truck hauling of limestone and gypsum/fly ash on paved and unpaved roads;

(B) Use of front end loader on limestone pile;

(C) Wind erosion of limestone pile;

(D) Dumping limestone of gypsum/fly ash into hopper;

(E) Transfer from hopper to conveyors and feeder;

(F) Transfer from feeder to silo and ballmill;

(G) Baghouses on the silos;

(H) Operation of a bulldozer; and

(I) Wet process ash handling, with ash stored in an ash pond.

Pursuant to 326 IAC 12 and 40 CFR 60.670 through 60.676, Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants), for facility PB-65:

(1) The Permittee shall not cause to be discharged into the atmosphere:

(A) From transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill, any stack emissions which:

(i) Contain particulate matter that exceeds 0.05 grains per dry standard cubic meter (g/dscm) (0.022 grains per dry standard cubic foot (g/dscf)); and

(ii) Exhibit greater than a seven percent (7%) opacity. [40 CFR 60.672(a)]

(B) From truck hauling of limestone and gypsum/fly ash on paved and unpaved roads, use of front end loader on limestone pile, operation of a bulldozer, and wind erosion of limestone pile, any fugitive emissions which exhibit greater than ten percent (10%) opacity, except as provided in (1)(C), (D), and (E) of this condition. [40 CFR 60.672(b)]

(C) Truck dumping of nonmetallic minerals into any screening operation, feed hopper, or crusher is exempt from the requirements of 40 CFR 60.672. [40 CFR 60.672(d)]

(D) If transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill are enclosed in a building, then each enclosed affected facility must comply with the emission limits in (1)(A), (B), and (C) of this condition, or the Permittee shall not cause to be discharged into the atmosphere:

(i) From transfer from hopper to conveyors and feeder and transfer from feeder to silo and ballmill, any visible fugitive emissions except emissions from a vent as defined in 40 CFR 60.671.

(ii) From any vent of any building enclosing any transfer point on a conveyor belt or any other affected facility, emissions which exceed the stack emission limits in (a)(1) of this condition. [40 CFR 60.672(e)]

(E) From any baghouses that controls emissions from an individual silo, stack emissions which exhibit greater than seven percent (7%) opacity. Multiple silos with combined stack emissions shall comply with the emission limits in (a)(1) of this condition. [40 CFR 60.672(f)]

(F) Multiple silos with combined stack emissions shall comply with the emission limits in (1)(A) of this condition. [40 CFR 60.672(g)]

(2) When an owner or operator replaces an existing facility with a piece of equipment that is of larger size, as defined in 40 CFR 60.671, having the same function as the existing facility, or an owner or operator replaces all existing facilities in a production line with new facilities, then the replacement is subject to 40 CFR 60.672 (Standard for Particulate Matter), 40 CFR 60.674 (Monitoring of Operations), 40 CFR 60.675 (Test Methods and Procedures), and 40 CFR 60.676 (Reporting and Recordkeeping) of Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants.[40 CFR 60.670(d)]

(h) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart GG– Standards of Performance for Stationary Gas Turbines) are not included in the permit for the turbines. The source operates steam turbines, not gas turbines.

(i) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Y – Standards of Performance for Coal Preparation Plants) are not included in the permit for the coal transfer (PB-43 and PB-45) and coal crushing (PB-48) operations. Construction on each facility commenced prior to October 24, 1974.

(j) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart K – Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978) are not included in the permit for the Fuel Oil Storage Tanks #2 and #3 and the Diesel Fuel Oil Storage Tanks. Fuel oil and diesel oil are not petroleum liquids as defined in 40 CFR 60.111.

(k) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Ka – Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to July 23, 1984) are not included in the permit for the Fuel Oil Storage Tanks #2 and #3 and the Diesel Fuel Oil Storage Tanks. Fuel oil and diesel oil are not petroleum liquids as defined in 40 CFR 60.111.

(l) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984) are not included in the permit for the Diesel Fuel Oil Storage Tanks. The Diesel Fuel Oil Storage Tanks have a maximum capacity less than forty (40) cubic meters.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984) are not included in the permit for Fuel Oil Storage Tanks #2 and #3. They were each constructed prior to July 23, 1984.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984) are not included in the permit for the two hydrazine storage tanks and two hydrazine mixing tanks. The tanks each have a maximum capacity less than forty (40) cubic meters.

(m) The requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP), 326 IAC 20, (40 CFR 63, Subpart T) are not included in the permit for the Parts Cleaner/Degreasers. The degreasers do not use halogenated HAP solvents.

(n) This source is subject to the requirements of 40 CFR Part 72 through 40 CFR Part 80 (Acid Rain Program). The requirements of this program are detailed in the attached permit AR 125-5115-00002, issued on December 31, 1997 included as Appendix C to the permit. Note that continuous emission monitors are required on Units 1 through 4 in order to demonstrate compliance with 40 CFR Part 72 through 40 CFR Part 80 (Acid Rain Program).

(o) The requirements of 40 CFR Part 63, Subpart DDDDD (National Emission Standards for Hazardous Air Pollutants: Industrial, Commercial, and Institutional Boilers and Process Heaters) and 326 IAC 20, are not included in the permit for Units 1 through 4. Pursuant to 40 CFR 63.7491, each unit is an electric utility steam generating unit that is a fossil fuel-fired combustion unit of more than 25 megawatts and serves a generator that produces electricity for sale.

(p) The emergency diesel internal combustion engines/generators PB-2 through PB-4 are subject to the National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, 40 CFR 63, Subpart ZZZZ. These engines are affected sources for 40 CFR 63, Subpart ZZZZ, because they are existing spark ignition four-stroke rich burn engines, as defined by 40 CFR 63.6675 that have a site-rating of more than 500 brake horsepower. The provisions of 40 CFR 63 Subpart A - General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the affected sources except when otherwise specified in 40 CFR 63, Subpart ZZZZ. This rule is not yet published in the Federal Register. A copy of the signed, final rule is available at http://www.epa.gov/ttn/atw/rice/ricepg.html.

This rule has a future compliance date; therefore, the specific details of the rule and how the Permittee will demonstrate compliance are not provided in the permit. The Permittee shall submit an application for a significant permit modification nine months prior to the compliance date for the MACT that will specify the option or options for the emission limitations and standards and methods for determining compliance chosen by the Permittee. At that time, IDEM, OAQ will include the specific details of the rule and how the Permittee will demonstrate compliance. Note that the facilities PB-2 through PB-4 operate exclusively as emergency/limited use units, therefore are subject only to initial notification requirements. Pursuant to 40 CFR 63, Subpart ZZZZ, the Permittee shall submit:

(1) An Initial Notification containing the information specified in 40 CFR 63.9(b)(2) no later than 120 days after the effective date of 40 CFR 63, Subpart ZZZZ.

State Rule Applicability – Entire Source

326 IAC 1-5-2 (Emergency Reduction Plans)
The source submitted an Emergency Reduction Plan (ERP) on June 25, 1998.

326 IAC 2-2 (Prevention of Significant Deterioration)
This source belongs to 1 of the 28 source categories (fossil fuel-fired steam electric plants of more than 250 MMBtu per hour heat input). The source was constructed prior to the promulgation of PSD Rules. Upon promulgation of PSD Rules, the source was an existing major source for PM, PM-10, SO_2, NO_X, VOC and CO. The source is a PSD major source for PM, PM-10, SO_2, NO_X, VOC and CO because the potential to emit each pollutant after limits and controls is greater than 100 tons per year.

On February 21, 1978, the source was issued PSD (63) 1156 for the construction of the coal fired boiler identified as Unit 4. See State Rule Applicability – Boilers section for details.

On January 18, 1988, the source was issued operating permits limiting the heat input rate of Units 1 through 3 based on the air quality analysis of PSD (63) 1156, issued on February 21, 1978.

Pursuant to OP 63-02-90-0068, OP 63-02-90-0069 and OP 63-02-90-0070 issued on January 18, 1988, the following requirements apply:

(a) The combined rate of heat input for Units 1 and 2 shall not exceed a total of 6,344 MMBtu per hour.

(b) The rate of heat input for Unit 3 shall not exceed 5,540 MMBtu per hour.

On October 31, 1990, the source was issued CP (63) 1828 for the construction of a 28.4 MMBtu per hour No. 2 fuel oil fired emergency diesel generator, identified as No. 4. The generator was never constructed, therefore the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) were not applicable.

On February 1, 1993, the source was issued CP 125-2421-00002 for the construction of the limestone, gypsum and fly ash handling facility (PB-65). Pursuant to CP 125-2421-00002, compliance with the requirements of 40 CFR Part 60, Subpart OOO and the fugitive dust control plan required by 326 IAC 6-5, submitted on November 18, 1991, will render the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.

On February 20, 2001, the source was issued SPM 125-12171-00002 to allow an alternative opacity monitor location for Unit 2. Since the modification did not involve any physical change to the plant or result in a change in emissions, the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) were not applicable.

326 IAC 2-1.1-5; 326 IAC 2-5.1-3 (Nonattainment New Source Review)

On April 15, 2004, the United States Environmental Protection Agency (U.S. EPA) named 23 Indiana counties and one partial county nonattainment for the new 8-hour ozone standard. The designations became effective on June 15, 2004. Pike County has been designated as attainment for the 8-hour ozone standard. Therefore, no changes to this permit are necessary.

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

Units 1, 2, 3 and 4 are not subject to the requirements of 326 IAC 2-4.1 even though they each have the potential to emit greater than 10 tons per year of a single HAP and 25 tons per year of a combination of HAPs because they were each constructed prior to July 27, 1997.

Facilities PB-2, PB-3 and PB-4 are not subject to the requirements of 326 IAC 2-4.1 because they were each constructed prior to July 27, 1997 and each have the potential to emit less than 10 tons per year of a single HAP and 25 tons per year of a combination of HAPs.

326 IAC 2-6 (Emission Reporting)

Since this source is required to have an operating permit under 326 IAC 2-7 (Part 70 Permit Program), this source is subject to 326 IAC 2-6 (Emission Reporting). The source also has the potential to emit greater than 2,500 tons per year of SO_2 and NO_X, and greater than 250 tons per year of VOC and PM-10; therefore, an emission statement covering the previous calendar year must be submitted by July 1 annually. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

326 IAC 5-1 (Opacity Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), opacity shall meet the following, unless otherwise stated in the 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.

326 IAC 6-4 (Fugitive Dust)

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.

326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations)

The source is subject to the requirements of 326 IAC 6-5 because it emits fugitive particulate matter and did not receive all necessary pre-construction approvals before December 13, 1985. Pursuant to this rule, the source shall control fugitive emissions according to the Fugitive Dust Control Plan (FDCP) submitted on November 18, 1991. The plan is included as Appendix D to the permit.

326 IAC 7-3 (Sulfur Dioxide Ambient Monitoring)

The source is subject to the requirements of 326 IAC 7-3 because it has actual SO_2 emissions of greater than ten thousand (10,000) tons per year.

Pursuant to 326 IAC 7-3-2, the source shall install and 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. A monitoring plan shall be submitted to the department prior to October 1, 1991.

Pursuant to 326 IAC 7-3-2(d), a source owner or operator may petition the Commissioner for an administrative waiver of all or some of the requirements of 326 IAC 7-3 if the source can demonstrate that ambient monitoring is unnecessary to determine continued maintenance of the SO_2 ambient air quality standards in the vicinity of the source. A waiver shall be effective upon written approval by the Commissioner.

326 IAC 9 (Carbon Monoxide Emission Limits)

Pursuant to 326 IAC 9 (Carbon Monoxide Emission Limits), this source is not subject to 326 IAC 9 because it commenced operation prior to March 21, 1972.

326 IAC 10-4 (NO_X Budget Trading Program)

Pursuant to 326 IAC 10-4-2(16) each of the following units is considered an “electricity generating unit (EGU)” because it commenced operation before January 1, 1997, and served a generator during 1995 or 1996 that had a nameplate capacity greater than twenty-five (25) megawatts that produced electricity for sale under a firm contract to the electric grid: Unit 1, Unit 2, Unit 3, and Unit 4. Pursuant to 326 IAC 10-4-1(a)(1), an “EGU” is a NO_X budget unit. Because this source meets the criteria of having one (1) or more NO_x budget units, it is a NO_X budget source, and the Permittee shall be subject to the requirements of this rule. The NO_X budget permit is in Section F of the Part 70 permit. The Technical Support Document for the NO_X budget permit is provided as Appendix B to this Technical Support Document.

Pursuant to 326 IAC 10-4-12(c), the Permittee has installed the appropriate monitoring systems and completed all certification tests as required by 326 IAC 10-4-12(b)(1) through (3) on or before May 1, 2003.

The requirements of 326 IAC 2-7-20(a) and (c) do not apply to emission trades of SO_2 or NO_X in accordance with 326 IAC 21 or 326 IAC 10-4; therefore, no pre-notification of a trade under one of these rules is required.

State Rule Applicability – Boilers

326 IAC 2-2 (Prevention of Significant Deterioration (PSD))

Pursuant to 326 IAC 2-2 and PSD (63) 1156, issued on February 21, 1978, the following requirements, determined to be BACT, shall apply to Unit 4:

(a) Sulfur dioxide (SO_2) emissions shall not exceed 1.2 pounds per MMBtu heat input when burning coal and shall be controlled by a wet limestone scrubber having a minimum control efficiency of 85.7 percent.

(b) PM/PM-10 emissions shall not exceed 0.1 pounds per MMBtu heat input and the electrostatic precipitator shall achieve a minimum control efficiency of 98.7 percent.

(c) Nitrogen oxides (NO_X) emissions shall not exceed 0.7 pounds per MMBtu heat input.

(d) The coal to be burned in the boiler will have a sulfur content in the range of 1.5 to 4.5 percent, an ash content in the range of 9 to 12 percent, and a typical heat content of 10,750 Btu per pound.

326 IAC 3-5 (Continuous Monitoring of Emissions)

(a) Pursuant to 326 IAC 3-5-1(b)(2), units 1, 2, 3 and 4 are subject to the requirements of 326 IAC 3-5 because they are each a fossil fuel-fired steam generator of greater than 100 MMBtu per hour heat input capacity.

Pursuant to 326 IAC 3-5-1(c)(2)(A) Units 1, 2, 3 and 4 shall each continuously monitor opacity.

Pursuant to 326 IAC 3-5-1(c)(2)(B)(i), Units 1, 2, 3 and 4 shall each monitor SO_2. Pursuant to 326 IAC 3-5-1(c)(2)(C)(ii), Unit 3 shall each monitor NOx. Units 1, 2 and 4 are not required to measure NO_X pursuant to 326 IAC 3-5 because no NOx pollution control equipment has been installed and a NO_X monitor is not required to determine compliance with 326 IAC 12 or with a construction permit under 326 IAC 2. However, continuous emission monitoring systems (CEMS) are required to measure NOx for Units 1, 2, 3 and 4 pursuant to 40 CFR Part 75.

(b) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), continuous emission monitoring systems for Units 1, 2, 3 and 4 shall be calibrated, maintained, and operated for measuring opacity which meet all applicable performance specifications of 326 IAC 3-5-2.

(c) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) continuous emission monitoring systems for Units 3 and 4 shall be calibrated, maintained, and operated for measuring SO_2 and NO_X which meet all applicable performance specifications of 326 IAC 3-5-2.

(d) All continuous emission monitoring systems are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

(e) Nothing in the attached 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, 40 CFR 60, or 40 CFR 75.

(f) On February 20, 2001, the source received a significant permit modification, SPM 125-12171-00002 to allow an alternative opacity monitor location for Unit 2. As allowed under 326 IAC 3-5-7(c)(2)(A)(iii), IPL requested a permanent waiver and a State Implementation Plan (SIP) revision for an alternative monitoring location.

Pursuant to 326 IAC 3-5-1(c)(2)(A)(iii), an alternative monitoring requirement request has been granted for the location of the continuous opacity emission monitors for Unit 2. The monitors shall be located in the Unit ducts 2-1 and 2-2 at the ID fan discharge location, downstream of the electrostatic precipitator and upstream of the scrubbers. Pursuant to 326 IAC 3-5-1(c)(2)(A)(iv), this alternative monitoring requirement shall not be in effect until it is approved as a SIP revision.

The combined data obtained from the continuous opacity monitors located in the ducts of Unit 2 at the Petersburg Generating Station is enforceable information for purposes of demonstrating compliance with 326 IAC 5.

326 IAC 5-1-3 (Temporary Alternative Opacity Limitations)

Pursuant to 326 IAC 5-1-3(e) (Temporary Alternative Opacity Limitations), the following applies to Units 1 through 4:

(a) When building a new fire in a boiler, opacity may exceed the 40% opacity limitation of 326 IAC 5-1-2 for a period not to exceed a total of four (4) hours (forty (40) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred eighty five (285) degrees Fahrenheit, whichever occurs first.

For Unit 1, compliance with the opacity limit is determined by adding the Unit 1 Scrubbed and Unit 1 Bypass stacks' opacity exceedances during the startup period. For Unit 2, compliance with the opacity limit is determined by adding the Unit 2 Scrubbed and Unit 2 Bypass stacks' opacity exceedances during the startup period.

(b) When shutting down a boiler, opacity may exceed the 40% opacity limitation for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

(c) Operation of the electrostatic precipitators is not required during these times.

(d) 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. 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 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)]

(e) If a facility cannot meet the opacity limitations in (a) and (b) of this condition, 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.

326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating)

Pursuant to 326 IAC 6-2-1(f), unit 3 and Unit 4 are not subject to the requirements of 326 IAC 6-2-3, even though they were constructed prior to September 21, 1983, because they are subject to the requirements of 40 CFR Part 60, Subpart D.

Units 1 and 2 are each subject to the requirements of 326 IAC 6-2-3 because each boiler was constructed prior to September 21, 1983. Pursuant to 326 IAC 6-2-3, the particulate matter (PM) emissions from Units 1 and 2 shall not exceed the pound per million Btu limit calculated using the following equation:

$$Pt = \frac{C \times a \times h}{76.5 \times Q^{0.75} \times N^{0.25}}$$

Unit 1

Where C = 50 u/m^3
Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)
Q = total source maximum operating capacity rating (Q = 2200 MMBtu/hr)
N = number of stacks (N = 1)
a = plume rise factor (a = 0.8)
h = stack height (h = 621 ft; h of bypass stack = 552 ft)

Unit 2

Where C = 50 u/m^3
Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)
Q = total source maximum operating capacity rating (Q = 6344 MMBtu/hr)
N = number of stacks (N = 1)
a = plume rise factor (a = 0.8)
h = stack height (h = 621 ft; h of bypass stack = 604.5 ft)

Pt is equal to 1.01 lb/MMBtu for Unit 1 when exhausting to the main stack 1-1(s). Pt is equal to 0.9 lb/MMBtu when exhausting to the bypass stack 1-1(b). However, pursuant to 326 IAC 6-2-3(d), particulate emissions shall in no case exceed 0.8 lb per MMBtu. Therefore, the particulate matter emissions from Unit 1 shall not exceed 0.8 lb per MMBtu when exhausting to either the main stack or the bypass stack.

Pt is equal to 0.46 lb/MMBtu for Unit 2 when exhausting to the main stack 2-1(s). Pt is equal to 0.44 lb/MMBtu when exhausting to the bypass stack 2-1(b). Therefore, the particulate matter emissions from Unit 2 shall not exceed 0.46 lb per MMBtu when exhausting to the main stack and 0.44 lb per MMBtu when exhausting to the bypass stack.

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)
Units 1, 2, 3 and 4 are not subject to the requirements of 326 IAC 6-3-2 because pursuant to 326 IAC 6-3-1(b)(1), combustion facilities for indirect heating are exempt from the rule.

326 IAC 7-1.1 (Sulfur Dioxide Emission Limitations)
Units 1, 2, 3 and 4 are subject to the requirements of 326 IAC 7-1.1 because they each have the potential to emit greater than 25 tons per year of SO_2. Pursuant to 326 IAC 7-1.1-2, sulfur dioxide emissions from Units 1, 2, 3 and 4 shall be limited to six and zero tenths (6.0) pounds per MMBtu, each, when burning coal, and five-tenths (0.5) pounds per MMBtu when burning fuel oil.

326 IAC 8-1-6 (New Facilities; General Reduction Requirements)
Units 1, 2, 3 and 4 are not subject to the requirements of 326 IAC 8-1-6 because they were each constructed prior to January 1, 1980.

State Rule Applicability – Emergency Generators

326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating)
Facilities PB-2, PB-3 and PB-4 are not subject to the requirements of 326 IAC 6-2-3 because they are not sources of indirect heating.

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)
Facilities PB-2, PB-3 and PB-4 are not subject to the requirements of 326 IAC 6-3-2 because pursuant to 326 IAC 6-3-1(b)(14), manufacturing processes with potential particulate matter emissions less than 0.551 pounds per hour are exempt from the rule.

Any change or modification which may increase the potential to emit particulate matter from each facility to 0.551 pounds per hour or more shall require prior approval by the IDEM, OAQ before such changes may take place.

326 IAC 7-1.1 (Sulfur Dioxide Emission Limitations)
Facilities PB-2, PB-3 and PB-4 are not subject to the requirements of 326 IAC 7-1.1 because they each have the potential to emit less than 25 tons per year of SO_2.

326 IAC 8-1-6 (New Facilities; General Reduction Requirements)
Facilities PB-2, PB-3 and PB-4 are not subject to the requirements of 326 IAC 8-1-6 because they were each constructed prior to January 1, 1980.

State Rule Applicability – Coal Handling Facilities

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)
Pursuant to 326 IAC 6-3-2, particulate emissions from the coal handling facilities (PB-45, PB-47 and PB-48) shall each not exceed 76.3 pounds per hour when each operating at a process weight rate of 901.8 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

$E = 55.0 P^{0.11} - 40$ Where E = rate of emission in pounds per hour and P = process weight rate in tons per hour

When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed the pounds per hour limitation calculated using the above equation, provided the concentration of particulate in the discharge gases to the atmosphere is less than 0.10 pounds per one thousand (1,000) pounds of gases.

The enclosure shall be in place at all times the coal transfer (PB-45) and coal crushing (PB-48) facilities are in operation, in order to comply with this limit.

State Rule Applicability – Limestone/Fly ash/Gypsum Handling Facilities

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

(a) The limestone/fly ash/gypsum handling facility (PB-65) is not subject to the requirements of 326 IAC 6-3-2 because, pursuant to 326 IAC 6-3-2(c)(5), facilities subject to a more stringent 326 IAC 12 rule are exempt from 326 IAC 6-3-2. The facility is subject to the more stringent requirements of 40 CFR Part 60, Subpart OOO.

The limestone/fly ash/gypsum handling facilities PB-43 and PB-51 are subject to the requirements of 326 IAC 6-3-2.

(b) Pursuant to 326 IAC 6-3-2, particulate emissions from facility PB-43 shall not exceed 33.3 pounds per hour when each operating at a process weight rate of 22.8 tons per hour.

The pound per hour limitation was calculated with the following equation:

Interpolation and extrapolation 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

(c) Pursuant to 326 IAC 6-3-2, particulate emissions from facility PB-51 shall not exceed 63.2 pounds per hour when each operating at a process weight rate of 305.4 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

$E = 55.0\ P^{0.11} - 40$ where E = rate of emission in pounds per hour and P = process weight rate in tons per hour

When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed the pounds per hour limitation calculated using the above equation, provided the concentration of particulate in the discharge gases to the atmosphere is less than 0.10 pounds per one thousand (1,000) pounds of gases.

(d) The baghouse on the silos shall be in operation at all times the limestone/fly ash/gypsum handling facilities PB-43 and PB-51 are in operation, in order to comply with this limit.

326 IAC 6-4-2 (Fugitive Dust Emission Limitations)

The fly ash storage ponds for the limestone/fly ash/gypsum handling facilities PB-43, PB-51 and PB-65 are subject to the requirements of 326 IAC 6-4-2 because they are sources of fugitive dust. Pursuant to 326 IAC 6-4-2:

(a) Any ash storage pond area generating fugitive dust shall be in deviation from this rule (326 IAC 6-4) if any of the following criteria are violated:

(1) A source or combination of sources which cause to exist fugitive dust concentrations greater than sixty-seven percent (67%) in excess of ambient upwind concentrations as determined by the following formula:

$$P = \frac{100\ (R) - U)}{U}$$

Where
P = percentage increase
R = number of particles of fugitive dust measured at downward receptor site
U = number of particles of fugitive dust measured at upwind or background site

(2) The fugitive dust is comprised of fifty percent (50%) or more respirable dust, then the percent increase of dust concentration in subdivision (1) of this section shall be modified as follows:

$$P_R = (1.5 \pm N)\ P$$

Where
N = fraction of fugitive dust that is respirable dust
P_R = allowable percentage increase in dust concentration above background
P = no value greater than sixty-seven percent (67%)

(3) The ground level ambient air concentrations exceed fifty (50) micrograms per cubic meter above background concentrations for a sixty (60) minute period.

(4) If fugitive dust is visible crossing the boundary or property line of a source. This subdivision may be refuted by factual data expressed in subdivisions (1), (2) or (3) of this section. 326 IAC 6-4-2(4) is not federally enforceable.

(b) Pursuant to 326 IAC 6-4-6(6) (Exceptions), fugitive dust from a source caused by adverse meteorological conditions will be considered an exception to this rule (326 IAC 6-4) and therefore not in violation.

Adverse weather conditions do not relieve a source from taking all reasonable measures to mitigate fugitive dust formation and transport. Failure to take reasonable measures during this period may be considered to be a deviation from this permit.

State Rule Applicability – Insignificant Activities

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

The insignificant coal pile wind erosion, fly ash/FGD sludge drop point and flyash/FGD sludge landfill wind erosion are not subject to 326 IAC 6-3-2 because they are not manufacturing processes as defined in 326 IAC 6-3-1.5.

The particulate from: structural steel and bridge fabrication activities; coal bunker and coal scale exhausts and associated dust collector vents; 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; vents from ash transport systems not operated at positive pressure; and the following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment cutting torches, soldering equipment, welding equipment, shall be limited by the following:

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

326 IAC 8-3 (Organic Solvent Degreasing Operations)

The Parts Cleaner/Degreasers are not subject to the requirements of 326 IAC 8-3 because they were constructed prior to January 1, 1980 and are located in Pike County.

326 IAC 8-9 (Volatile Organic Liquid Storage Vessels)

The fuel oil tank #2 (200,000 gallons), fuel oil tank #3 (300,000 gallons), two hydrazine storage tanks (300 gallons each), two hydrazine mixing tanks (150 gallons each), diesel fuel oil tanks (less than 300 gallons), diesel fuel oil tanks (less than 1100 gallons), diesel fuel oil tanks (250 gallons) and diesel fuel oil tanks (550 gallons) are not subject to the requirements of 326 IAC 8-9 because they are located at a source in Pike County.

Testing Requirements

The coal (PB-45, PB-47 and PB-48) and limestone/fly ash/gypsum (PB-65, PB-51 and PB-43) handling facilities have the potential to emit only PM/PM10. The PM/PM10 emissions from the coal and limestone/fly ash/gypsum handling facilities do not account for a significant portion of the source's potential to emit PM/PM10. Compliance with 40 CFR 60, Subpart OOO and 326 IAC 6-3-2 is expected with the use of enclosures and baghouses. Compliance monitoring of the control devices will ensure compliance with the applicable emission limitations. Therefore, no testing is required for the coal and limestone/fly ash/gypsum handling facilities.

PM/PM-10, SO_2, NO_X, CO and VOC testing is not required for the emergency diesel internal combustion engine/generators (PB-2 through PB-4) because the emissions of each pollutant do not account for a significant portion of the source's potential to emit.

To ensure compliance with 40 CFR Part 60, Subpart D and 326 IAC 6-2-3, the Permittee shall perform PM testing for Units 1 through 4, utilizing methods as approved by the Commissioner, no

later than twelve (12) months after the issuance of this Part 70 permit. This test shall be repeated at least once every two and a half years following this valid compliance demonstration. Testing shall be conducted in accordance with Section C- Performance Testing.

Opacity, SO_2 and NO_X testing of Units 1 through 4 is not required because the boilers operate continuous emission monitors (CEMS).

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less 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 requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions 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 approporiate corrective actions within a specific time period.

The compliance monitoring requirements applicable to this source are as follows:

1. Units 1 and 2 have applicable compliance monitoring conditions as specified below:

   (a) The ability of the ESP to control particulate emissions shall be monitored once per shift, 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 transformer-rectifier (T-R) sets.

   (b) Reasonable response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports whenever the percentage of T-R sets in service falls below 90 percent (90%). T-R set failure resulting in less than 90 percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

   (c) In the event that opacity readings (except as provided in Condition D.1.2) exceed thirty percent (30%) average opacity for three (3) consecutive six (6) minute averaging periods, appropriate response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports 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.

   (d) 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 - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(e) An inspection of the scrubber shall be performed at least once every two years, in accordance with the Preventive Maintenance Plan prepared in accordance with Section B - Preventive Maintenance Plan. Defective parts shall be replaced. A record shall be kept of the results of the inspection and the part(s) replaced.

(f) Inspections shall be made whenever there is an outage of any nature lasting more than three days unless such measurements have been taken within the past twelve months.

(g) Reasonable response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports for any improper or abnormal conditions found during an inspection. Discovery of an abnormal or improper condition is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(h) Whenever the SO_2 continuous emission monitoring system is malfunctioning or down for repairs or adjustments, the Permittee shall monitor and record boiler load, recirculation pH, slurry feed rate, and number of recirculation pumps in service, 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 once per hour until the primary CEM or a backup CEM is brought online.

These monitoring conditions are necessary because the electrostatic precipitator and scrubber for Units 1 and 2 must operate properly to ensure compliance with 326 IAC 6-2-3 and 326 IAC 7-1.1.

2. Units 3 and 4 have applicable compliance monitoring conditions as specified below:

(a) The ability of the ESP to control particulate emissions shall be monitored once per shift, 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 transformer-rectifier (T-R) sets.

(b) Reasonable response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports whenever the percentage of T-R sets in service falls below 90 percent (90%). T-R set failure resulting in less than 90 percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(c) An inspection of the scrubber shall be performed at least once every two years, in accordance with the Preventive Maintenance Plan prepared in accordance with Section B - Preventive Maintenance Plan. Defective parts shall be replaced. A record shall be kept of the results of the inspection and the part(s) replaced.

(d) Inspections shall be made whenever there is an outage of any nature lasting more than three days unless such measurements have been taken within the past twelve months.

(e) Reasonable response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports for any improper or abnormal conditions found during an inspection. Discovery of an abnormal or improper condition is not a deviation from this

permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(f) Whenever the SO_2 continuous emission monitoring system is malfunctioning or down for repairs or adjustments, the Permittee shall monitor and record boiler load, recirculation pH, slurry feed rate, and number of recirculation pumps in service, 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 once per hour until the primary CEM or a backup CEM is brought online.

(g) In instances of NO_X continuous emission monitoring system (CEMS) downtime, the Permittee shall report the NO_X mass emissions in accordance with the procedures regulated by 40 CFR Part 75, Appendix D (Optional SO_2 Emissions Data Protocol) for fuel flow meters requirements, 40 CFR Part 75, Appendix E (Optional NO_X Emissions Estimation Protocol) for emission rate curve establishment, and Appendix G (Determination of CO_2 Emissions). NO_X mass emissions reported shall be based on the fuel-and-unit-specific NO_X emission rates ("load curve") established during the latest stack test.

These monitoring conditions are necessary because the electrostatic precipitator, scrubber, selective catalytic reduction and low NO_X burner for Units 3 and 4 must operate properly to ensure compliance with 40 CFR 60, Subpart D, 326 IAC 2-2 and 326 IAC 7-1.1.

3. The emergency diesel internal combustion engine/generators do not have any applicable compliance monitoring requirements because they are only subject to only the initial notification requirements of 40 CFR 60, Subpart ZZZZ.

4. The coal handling facilities (PB-45, PB-47 and PB-48) have applicable compliance monitoring conditions as specified below:

(a) Visible emission notations of the coal transfer points shall be performed once per shift during normal daylight operations when unloading coal. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. 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 in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(c) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation.

(d) 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.

(e) 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.

These monitoring conditions are necessary to ensure compliance with 326 IAC 6-3-2.

5. The limestone/fly ash/gypsum handling facilities (PB-65, PB-51 and PB-43) have applicable compliance monitoring conditions as specified below:

(a) Visible emission notations of the fly ash storage pond areas shall be performed at least once per shift during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

(b) Visible emission notations of the exhaust from the limestone/fly ash/gypsum silo baghouses shall be performed once per shift during normal daylight operations when the respective facilities are in operation. A trained employee shall record whether any emissions are observed.

(c) Visible emission notations of the ballmill and pugmill exhaust shall be performed once per shift during normal daylight operations when the ballmill and pugmill are in operation. A trained employee shall record whether emissions are normal or abnormal.

(d) Visible emission notations of the exhaust from all limestone/fly ash/gypsum transfer points shall be performed once per shift during normal daylight when transferring the respective material. A trained employee shall record whether emissions are normal or abnormal.

(e) If visible emissions are observed crossing the property line or boundaries of the property, right-of-way, or easement on which the source is located, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(f) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of an abnormal emission that does 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 in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(g) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(h) 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.

(i) 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.

(j) The Permittee shall record the total static pressure drop across the baghouse used in conjunction with the silos at least once per shift when the silos are receiving material. When for any one reading, the pressure drop across the baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable

response steps in accordance with Section C- Compliance Response Plan - Preparation, Implementation, Records, and Reports. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(k) The instrument used for determining the pressure drop shall comply with Section C - Pressure Gauge and Other Instrument Specifications, and shall be calibrated in accordance with the manufacturer's specifications. The specifications shall be available on site with the Preventive Maintenance Plan.

(l) An inspection shall be performed each calendar quarter of all bags controlling particulate emissions from the limestone/fly ash/gypsum handling facilities (PB-65 and PB-51). Inspections required by this condition shall not be performed in consecutive months. All defective bags shall be replaced.

(m) If an abnormal or improper condition is found during an inspection, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Discovery of an abnormal or improper condition is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(n) In the event that bag failure has been observed:

(i) For multi-compartment units, the affected baghouse compartments will be shut down immediately until the failed units have been repaired or replaced. Within eight (8) business hours of the determination of failure, response steps according to the timetable described in the Compliance Response Plan shall be initiated. For any failure with corresponding response steps and timetable not described in the Compliance Response Plan, response steps shall be devised within eight (8) business hours of discovery of the failure and shall include a timetable for completion. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit. If operations continue after bag failure is observed and it will be ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

(ii) For single compartment baghouses, if failure is indicated by a significant drop in the baghouse’s pressure readings with abnormal visible emissions or the failure is indicated by an opacity violation, or if bag failure is determined by other means, such as gas temperatures, flow rates, air infiltration, leaks, dust traces or triboflows, then failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

These monitoring conditions are necessary because the baghouses and ash ponds must operate properly to ensure compliance with 40 CFR 60, Subpart OOO.

Conclusion

The operation of this electric generation plant shall be subject to the conditions of this Part 70 permit T125-6565-00002.

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 1 (LNB)

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

Heat Input Capacity	Coal Heating Value	Potential Coal Throughput	Oil Heating Value	Potential Oil Throughput	Control Efficiency ESP	Control Efficiency Scrubber	Control Efficiency LNB
MMBtu/hr	Btu/lb	ton/yr	Btu/lb	kgal/yr			
2200.0	8,000	1,204,500	138,000	139,652	99%	95%	30%

For Coal Combustion Emission Factor in lb/ton	PM 110.00 *(10A)*	PM10 25.30 *(2.3A)*	SO2 193.8 *(38S)*	NOx 9.7	VOC 0.06	CO 0.5
Uncontrolled Potential to Emit (ton/yr)	66,248	15,237	116,716	5,842	36	301
Controlled Potential to Emit (ton/yr)	662	152	5,836	4,089	36	301

For Fuel Oil Combustion Emission Factor in lb/kgal	PM 2.0	PM10 2.0	SO2** 47.1 *(157S)*	NOx*** 10.0	VOC 1.0	CO 5.0
Uncontrolled Potential to Emit (ton/yr)	140	140	3,289	698	73	349
Controlled Potential to Emit (ton/yr)	1.4	1.4	164	489	73	349

Methodology

**Fuel Oil Emission Factors for SO2: 157*weight % sulfur in fuel, or 150*weight % sulfur in fuel, or 142*weight % sulfur in fuel
***Fuel Oil Emission Factors for NOx: Depends on the type of firing configuration- see Ch. 1.3 of AP-42 for more information
Coal Emission Factors are from AP 42, Chapter 1.1, Tables 1.1-3, 1.1-4.
Potential Throughput (ton/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/lb) / 2000 lb/ton
Potential Throughput (kgal/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/gal) / 1000 kgal/gal
Emission (ton/yr) = Throughput x Emission Factor / 2,000 lb/ton

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 1 (LNB)

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

HAPs - Organics

	HCl	HF	Benzene	Cyanide	Formaldehyde	PCDD/ PCDF
Emission Factor in lb/ton of coal	1.2	0.15	0.0013	0.0025	2.40E-04	2.44E-07
Potential to Emit in tons/yr	723	90	0.78	1.51	0.14	1.47E-04

HAPs - Metals

	Selenium	Cadmium	Chromium	Manganese	Nickel	Beryllium	Arsenic	Lead
Emission Factor in lb/ton of coal	1.3E-03	5.1E-05	2.6E-04	4.9E-04	2.8E-04	2.10E-05	4.10E-04	4.20E-04
Potential Emission in tons/yr	7.8E-01	3.1E-02	1.6E-01	3.0E-01	1.7E-01	1.3E-02	2.5E-01	2.5E-01

Note that HAP emissions from fuel oil combustion are negligible.

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 2 (LNB)

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

Heat Input Capacity	Coal Heating Value	Potential Coal Throughput	Oil Heating Value	Potential Oil Throughput	Control Efficiency ESP	Control Efficiency Scrubber	Control Efficiency LNB	Control Efficiency SCR
MMBtu/hr	Btu/lb	ton/yr	Btu/lb	kgal/yr				
4144.0	8,000	2,268,840	138,000	263,054	99%	95%	30%	80%

For Coal Combustion Emission Factor in lb/ton	PM 110.00 *(10A)*	PM10 25.30 *(2.3A)*	SO2 193.8 *(38S)*	NOx 9.7	VOC 0.06	CO 0.5
Uncontrolled Potential to Emit (ton/yr)	124,786	28,701	219,851	11,004	68	567
Controlled Potential to Emit (ton/yr)	1,248	287	10,993	1,541	68	567

For Fuel Oil Combustion Emission Factor in lb/kgal	PM 2.0	PM10 2.0	SO2** 47.1 *(157S)*	NOx*** 10.0	VOC 1.0	CO 5.0
Uncontrolled Potential to Emit (ton/yr)	263	263	6,195	1,315	137	658
Controlled Potential to Emit (ton/yr)	2.6	2.6	310	184	137	658

Methodology

**Fuel Oil Emission Factors for SO2: 157*weight % sulfur in fuel, or 150*weight % sulfur in fuel, or 142*weight % sulfur in fuel
***Fuel Oil Emission Factors for NOx: Depends on the type of firing configuration- see Ch. 1.3 of AP-42 for more information
Coal Emission Factors are from AP 42, Chapter 1.1, Tables 1.1-3, 1.1-4.
Potential Throughput (ton/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/lb) / 2000 lb/ton
Potential Throughput (kgal/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/gal) / 1000 kgal/gal
Emission (ton/yr) = Throughput x Emission Factor / 2,000 lb/ton

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 2 (LNB)

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

HAPs - Organics

	HCl	HF	Benzene	Cyanide	PCDD/ PCDF
Emission Factor in lb/ton of coal	1.2	0.15	0.0013	0.0025	2.44E-07
Potential to Emit in tons/yr	1361	170	1.47	2.84	2.77E-04

HAPs - Metals

	Selenium	Cadmium	Chromium	Manganese	Nickel	Beryllium	Arsenic	Lead
Emission Factor in lb/ton of coal	1.3E-03	5.1E-05	2.6E-04	4.9E-04	2.8E-04	2.10E-05	4.10E-04	4.20E-04
Potential Emission in tons/yr	1.47	5.8E-02	2.9E-01	5.6E-01	3.2E-01	2.4E-02	4.7E-01	4.8E-01

Note that HAP emissions from fuel oil combustion are negligible.

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 3

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

Heat Input Capacity	Coal Heating Value	Potential Coal Throughput	Oil Heating Value	Potential Oil Throughput	Control Efficiency ESP	Control Efficiency Scrubber	Control Efficiency SCR
MMBtu/hr	Btu/lb	ton/yr	Btu/lb	kgal/yr			
5540.0	8,000	3,033,150	138,000	351,670	99%	80%	80%
low sulfur:	12,000	2,022,100			-	-	

For Coal Combustion Emission Factor in lb/ton	PM 110.00 *(10A)*	PM10 25.30 *(2.3A)*	SO2 193.8 *(38S)*	NOx 9.7	VOC 0.06	CO 0.5
Uncontrolled Potential to Emit (ton/yr)	166,823	38,369	293,912	14,711	91	758
Controlled Potential to Emit (ton/yr)	1,668	384	58,782	2,942	91	758
Low Sulfur Coal (A=9.07%; S=0.7%):* Controlled Potential to Emit (ton/yr)	91,702	21,092	26,894	14,711	91	758

For Fuel Oil Combustion Emission Factor in lb/kgal	PM 2.0	PM10 2.0	SO2** 47.1 *(157S)*	NOx*** 10.0	VOC 1.0	CO 5.0
Uncontrolled Potential to Emit (ton/yr)	351.7	351.7	8,282	1,758	183	879
Controlled Potential to Emit (ton/yr)	3.52	3.52	1,656	352	183	879

Methodology

*No control devices are used when low sulfur coal is used as control.

**Fuel Oil Emission Factors for SO2: 157*weight % sulfur in fuel, or 150*weight % sulfur in fuel, or 142*weight % sulfur in fuel

***Fuel Oil Emission Factors for NOx: Depends on the type of firing configuration- see Ch. 1.3 of AP-42 for more information

Coal Emission Factors are from AP 42, Chapter 1.1, Tables 1.1-3, 1.1-4.

Potential Throughput (ton/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/lb) / 2000 lb/ton

Potential Throughput (kgal/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/gal) / 1000 kgal/gal

Emission (ton/yr) = Throughput x Emission Factor / 2,000 lb/ton

Low Sulfur PM Emissions (ton/yr) = 2.3 * fly ash content, A (%) * coal throughput (ton/yr)/2000 lb/ton

Low Sulfur SO_2 Emissions (ton/yr) = 38 * sulfur content, S (%) * coal throughput (ton/yr)/2000 lb/ton

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 3

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

HAPs - Organics

	HCl	HF	Benzene	Cyanide	PCDD/ PCDF
Emission Factor in lb/ton of coal	1.2	0.15	0.0013	0.0025	2.44E-07
Potential to Emit in tons/yr	1820	227	1.97	3.79	3.70E-04

HAPs - Metals

	Selenium	Cadmium	Chromium	Manganese	Nickel	Beryllium	Arsenic	Lead
Emission Factor in lb/ton of coal	1.3E-03	5.1E-05	2.6E-04	4.9E-04	2.8E-04	2.10E-05	4.10E-04	4.20E-04
Potential Emission in tons/yr	1.97	7.7E-02	3.9E-01	7.4E-01	4.2E-01	3.2E-02	6.2E-01	6.4E-01

Note that HAP emissions from fuel oil combustion are negligible.

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 4

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

Heat Input Capacity	Coal Heating Value	Potential Coal Throughput	Oil Heating Value	Potential Oil Throughput	Control Efficiency ESP	Control Efficiency Scrubber	Control Efficiency LNB
MMBtu/hr	Btu/lb	ton/yr	Btu/lb	kgal/yr			
5550.0	8,000	3,038,625	138,000	352,304	99%	80%	30%
low sulfur:	12,000	2,025,750			-	-	

For Coal Combustion Emission Factor in lb/ton	PM 110.00 *(10A)*	PM10 25.30 *(2.3A)*	SO2 193.8 *(38S)*	NOx 9.7	VOC 0.06	CO 0.5
Uncontrolled Potential to Emit (ton/yr)	167,124	38,439	294,443	14,737	91	760
Controlled Potential to Emit (ton/yr)	1,671	384	58,889	10,316	91	760
Low Sulfur Coal (A=9.07%; S=0.7%):* Controlled Potential to Emit (ton/yr)	91,868	21,130	26,942	14,737	91	760

For Fuel Oil Combustion Emission Factor in lb/kgal	PM 2.0	PM10 2.0	SO2** 47.1 *(157S)*	NOx*** 10.0	VOC 1.0	CO 5.0
Uncontrolled Potential to Emit (ton/yr)	352.3	352.3	8,297	1,762	183	881
Controlled Potential to Emit (ton/yr)	3.52	3.52	1,659	1,762	183	881

Methodology

*No control devices are used when low sulfur coal is used as control.

**Fuel Oil Emission Factors for SO2: 157*weight % sulfur in fuel, or 150*weight % sulfur in fuel, or 142*weight % sulfur in fuel

***Fuel Oil Emission Factors for NOx: Depends on the type of firing configuration- see Ch. 1.3 of AP-42 for more information

Coal Emission Factors are from AP 42, Chapter 1.1, Tables 1.1-3, 1.1-4.

Potential Throughput (ton/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/lb) / 2000 lb/ton

Potential Throughput (kgal/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/gal) / 1000 kgal/gal

Emission (ton/yr) = Throughput x Emission Factor / 2,000 lb/ton

Low Sulfur PM Emissions (ton/yr) = 2.3 * fly ash content, A (%) * coal throughput (ton/yr)/2000 lb/ton

Low Sulfur SO_2 Emissions (ton/yr) = 38 * sulfur content, S (%) * coal throughput (ton/yr)/2000 lb/ton

Appendix A: Emissions Calculations
Coal/No. 2 fuel oil fired boiler
Unit 4

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

HAPs - Organics

	HCl	HF	Benzene	Cyanide	PCDD/ PCDF
Emission Factor in lb/ton of coal	1.2	0.15	0.0013	0.0025	2.44E-07
Potential to Emit in tons/yr	1823	228	1.98	3.80	3.71E-04

HAPs - Metals

	Selenium	Cadmium	Chromium	Manganese	Nickel	Beryllium	Arsenic	Lead
Emission Factor in lb/ton of coal	1.3E-03	5.1E-05	2.6E-04	4.9E-04	2.8E-04	2.10E-05	4.10E-04	4.20E-04
Potential Emission in tons/yr	1.98	7.7E-02	4.0E-01	7.4E-01	4.3E-01	3.2E-02	6.2E-01	6.4E-01

Note that HAP emissions from fuel oil combustion are negligible.

Appendix A: Emissions Calculations
Emergency Diesel Fired Internal Combustion Engine
PB-2 through PB-4

Company Name: **Indianapolis Power & Light Company – Petersburg Generating Station**
Address City IN Zip: **State Road 57, Petersburg, Indiana 47567**
Permit Number: **T125-6565-00002**
Plt ID: **125-00002**
Reviewer: **ERG/AO**
Date: **2/13/2004**

Total Generator Heat Input Capacity	Oil Heating Value	Potential Oil Throughput
MMBtu/hr	Btu/lb	kgal/yr
85.2	138,223	5,331

For Fuel Oil Combustion Emission Factor in lb/MMBtu	PM 0.31	PM10 0.31	SO2 0.29	NOx 4.41	VOC 0.36	CO 0.95
Potential to Emit (ton/yr)	6.6	6.6	6.2	93.9	7.7	20.2

Note that HAP emissions from fuel oil combustion are negligible.

Methodology

Emission Factors are from AP-42 Table 3.3-1
Potential Throughput (kgal/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/gal) / 1000 kgal/gal
Emission (ton/yr) = Heat Input Capacity (MMBtu/hr) x Emission Factor (lb/MMBtu) x 8760 (hr/yr) / 2,000 lb/ton

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
Office of Air Quality

Appendix B to Technical Support Document (TSD): Technical Support Document for the NO_X Budget Permit

Source Background and Description

Source Name:	Indianapolis Power & Light (IPL) Petersburg Generating Station
Source Location:	State Road 57, Petersburg, Indiana 47567
Operated By:	Indianapolis Power & Light Company
Owned By:	Indianapolis Power & Light Company
ORIS Code:	994
Operation Permit No.:	T 125-6565-00002
Permit Reviewer for NO_X Budget Permit:	Rebecca Mason

NO_X Budget Permit Application and Rule Applicability

A complete Nitrogen Oxides (NO_X) Budget Permit Application for this NO_X budget source was received on August 18, 2003. The Office of Air Quality (OAQ) has reviewed a NO_X budget permit application from Indianapolis Power & Light (IPL) – Petersburg Generating Station under 326 IAC 10-4-7 for the operation of the NO_X budget source. The NO_X budget source includes all NO_X Budget Units at the source, including opt-in units, if applicable. The following units at the source are NO_X Budget Units:

(a) One (1) coal/No. 2 fuel oil/pet coke fired boiler, identified as Unit 1, constructed prior to 1967, with a design capacity of 2200 MMBtu per hour, using an electrostatic precipitator, scrubber and low NOx burner as control, and exhausting to stack 1-1(s) or bypass stack 1-1(b).

(b) One (1) coal/No. 2 fuel oil/pet coke fired boiler, identified as Unit 2, constructed prior to 1969, with a design capacity of 4144 MMBtu per hour, an electrostatic precipitator, scrubber, selective catalytic reduction and low NOx burner as control, and exhausting to stack 2-1(s) or bypass stack 2-1(b).

(c) One (1) coal/No. 2 fuel oil/pet coke fired boiler, identified as Unit 3, constructed prior to 1977, with a design capacity of 5540 MMBtu per hour, an electrostatic precipitator and scrubber and selective catalytic reduction as control, and exhausting to stack 3-1.

(d) One (1) coal/No. 2 fuel oil/pet coke fired boiler, identified as Unit 4, constructed prior to 1978, with a design capacity of 5550 MMBtu per hour, an electrostatic precipitator, scrubber and low NOx burner as control, and exhausting to stack 4-1.

Pursuant to 326 IAC 10-4-7, the NO_X budget permit shall be a complete and segregable portion of the Part 70 permit and the NO_X budget portion of the Part 70 permit shall be administered in accordance with 326 IAC 2-7, except as provided otherwise by 326 IAC 10-4-7.

Program Description

On October 27, 1998, the U.S. EPA promulgated final federal rules requiring 22 states and the District of Columbia to submit state implementation plan (SIP) revisions to reduce the regional transport of ozone. The federal rule focused on reducing NO_X emissions in the affected states. In the federal rule, the U.S. EPA established a NO_X emission "budget" for each of the affected states and the District of Columbia. The "budget" represents a reduction from emissions in the year 2007 that the U.S. EPA believes will reduce the transport of NO_X emissions and will assist downwind areas in meeting ozone air quality standards. The states must demonstrate compliance with the "budget" by implementing control measures to reduce NO_X emissions beginning May 31, 2004. While the rule does not mandate which sources will have to reduce emissions, the rule did provide options that would result in a 65% reduction of NO_X emissions from utility boilers and a 60% reduction from large industrial (non-utility) boilers and turbines. IDEM developed the NO_X Budget Trading Program in 326 IAC 10-4 in response to this mandate. The NO_X reductions that will be achieved by this rule will result in significant air quality improvements throughout the state of Indiana, and will be especially important in those areas of the state where ozone levels exceed or regularly approach state and federal air quality health standards.

The Nitrogen Oxides Budget Trading Program is a regional cap and trade program among all the states subject to the NO_X SIP call. Electricity generating units (EGUs) and non-electricity generating units (non-EGUs) are allocated allowances for tons of NO_X that they are allowed to emit during the ozone season. IDEM allocates NO_X allowances for the affected units, and owners or operators of these units are able to buy, sell, or trade allowances, as necessary, to demonstrate compliance with the unit's NO_X emissions cap. Because this program is a regional program administered by U.S. EPA, sources are able to buy, sell or trade allowances across state boundaries and between different types of units and sources. More information about the NO_X SIP Call can be found at: http://www.epa.gov/airmarkets/fednox/index.html and http://www.in.gov/idem/air/standard/Sip/index.html.

326 IAC 10-4 (NO_X Budget Trading Program) Requirements

(a) Pursuant to 326 IAC 10-4-4(b), the owners and operators and, to the extent applicable, the NO_X authorized account representative of the NO_X budget source and each NO_X budget unit at the source shall comply with the monitoring requirements of 40 CFR 75 and 326 IAC 10-4-12. The emissions measurements recorded and reported in accordance with 40 CFR 75 and 326 IAC 10-4-12 shall be used to determine compliance by each unit with the NO_X budget emissions limitation under 326 IAC 10-4-4(c).

(b) Pursuant to 326 IAC 10-4-4(c), the owners and operators of the NO_X budget source and each NO_X budget unit at the source shall hold NO_X allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO_X allowance transfer deadline, in each unit's compliance account and the source's overdraft account in an amount:

(1) Not less than the total NO_X emissions for the ozone control period from the unit, as determined in accordance with 40 CFR 75 and 326 IAC 10-4-12;

(2) To account for excess emissions for a prior ozone control period under 326 IAC 10-4-10(k)(5); or

(3) To account for withdrawal from the NO_X budget trading program, or a change in regulatory status of a NO_X budget opt-in unit.

The NO_X budget units shall be subject to the requirements under 326 IAC 10-4-4(c)(1) starting on May 31, 2004.

(c) Pursuant to 326 IAC 10-4-4(d), the owners and operators of each NO_X budget unit that has excess emissions in any ozone control period shall do the following:

(1) Surrender the NO_X allowances required for deduction under 326 IAC 10-4-10(k)(5).

(2) Pay any fine, penalty, or assessment or comply with any other remedy imposed under 326 IAC 10-4-10(k)(7).

(d) Pursuant to 326 IAC 10-4-4(e)(1), unless otherwise provided, the owners and operators of the NO_X budget source and each NO_X budget unit at the source shall keep either 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:

(1) The account certificate of representation for the NO_X authorized account representative for the source and each NO_X budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 326 IAC 10-4-6(h). The certificate and documents shall be retained either on site at the source or at a central location within Indiana for those owners or operators with unattended sources beyond the five (5) year period until the documents are superseded because of the submission of a new account certificate of representation changing the NO_X authorized account representative.

(2) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide for a three (3) year period for record keeping, the three (3) year period shall apply.

(3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_X budget trading program.

(4) Copies of all documents used to complete a NO_X budget permit application and any other submission under the NO_X budget trading program or to demonstrate compliance with the requirements of the NO_X budget trading program.

This period may be extended for cause, at any time prior to the end of five (5) years, in writing by IDEM, OAQ or the U.S. EPA. Records retained at a central location within Indiana shall be available immediately at the location and submitted to the IDEM, OAQ or U.S. EPA within three (3) business days following receipt of a written request. Nothing in 326 IAC 10-4-4(e) shall alter the record retention requirements for a source under 40 CFR 75. Unless otherwise provided, all records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

(e) Pursuant to 326 IAC 10-4-4(e)(2), the NO_X authorized account representative of the NO_X budget source and each NO_X budget unit at the source shall submit the reports and compliance certifications required under the NO_X budget trading program, including those under 326 IAC 10-4-8, 326 IAC 10-4-12, or 326 IAC 10-4-13.

Monitoring

The NO_X Budget Trading Program references monitoring and reporting requirements from the Acid Rain program at 40 CFR Part 75. These provisions require, for most sources, the use of continuous emissions monitors (CEMs). A CEM is a system composed of various equipment that continuously measures the amount of nitrogen oxides emitted into the atmosphere in exhaust gases from the NO_X budget unit's stack.

NO_x Emissions Allocations

(a) Pursuant to 326 IAC 10-4-7(e), this NO_X budget permit is deemed to incorporate automatically, upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_X allowance to or from the compliance accounts of the NO_X budget units or the overdraft account of the NO_X budget source covered by this permit. The allocations for each ozone season and transaction information can be found at: http://www.epa.gov/airmarkets/tracking/factsheet.html. In addition, IDEM, OAQ posts proposed allocations prior to submitting them to the U.S. EPA on the following web site: http://www.in.gov/idem/air/standard/Sip/index.html.

(b) The following requirements from 326 IAC 10-4-4(c) apply to NO_X allowances:

(1) Each ton of NO_X emitted in excess of the NO_X budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.

(2) NO_X allowances shall be held in, deducted from, or transferred among NO_X allowance tracking system accounts in accordance with 326 IAC 10-4-9 through 11, 326 IAC 10-4-13, and 326 IAC 10-4-14.

(3) A NO_X allowance shall not be deducted, in order to comply with the requirements under 326 IAC 10-4-4(c)(1), for an ozone control period in a year prior to the year for which the NO_X allowance was allocated.

(4) A NO_X allowance allocated under the NO_X budget trading program is a limited authorization to emit one (1) ton of NO_X in accordance with the NO_X budget trading program. No provision of the NO_X budget trading program, the NO_X budget permit application, the NO_X budget permit, or an exemption under 326 IAC 10-4-3 and no provision of law shall be construed to limit the authority of the U.S. EPA or IDEM, OAQ to terminate or limit the authorization.

(5) A NO_X allowance allocated under the NO_X budget trading program does not constitute a property right.

(6) Upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_X allowance to or from a NO_X budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, this NO_X budget permit of the NO_X budget unit by operation of law without any further review.

Other Record Keeping and Reporting Requirements

Pursuant to 326 IAC 10-4-7(g), except as provided in 326 IAC 10-7-4(e), IDEM, OAQ shall revise the NO_X budget permit, as necessary, in accordance with the permit modification and revision provisions under 326 IAC 2-7.

Pursuant to 326 IAC 10-4-7(b)(1)(C), for permit renewal, the NO_X authorized account representative shall submit a complete NO_X budget permit application covering the NO_X budget units at the source in accordance with 326 IAC 2-7-4(a)(1)(D) with the Part 70 permit renewal.

Submissions

The NO_X authorized account representative for each NO_X budget source on behalf of which a submission is made must sign and certify every report or other submission required by the NO_X budget permit. The NO_X authorized account representative must include the following certification statement in every submission: "I am authorized to make this submission on behalf of the owners and operators of the NO_X budget sources or NO_X budget 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."

Recommendation

The staff recommends to the Commissioner that the NO_X budget permit be approved.

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

Additional Information

Questions regarding the NO_X budget permit can be directed to Rebecca Mason at the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 233-9664 or toll free at 1-800-451-6027 extension 3-9664.

The source will be inspected by IDEM's compliance inspection staff. Persons seeking to obtain information regarding the source's compliance status or to report any potential violation of any permit condition should contact Dan Hancock at the Office of Air Quality (OAQ) address or by telephone at (317) 232-8429 or toll free at 1-800-451-6027 extension 2-8429.

Copies of the Code of Federal Regulations (CFR) referenced in the permit may be obtained from:

Indiana Department of Environmental Management
Office of Air Quality
100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
or
The Government Printing Office
Washington, D.C. 20402
or
on the Government Printing Office web site at
http://www.access.gpo.gov/nara/cfr/index.html

Phase II
Acid Rain Permit

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Source: **Petersburg Generating Station**
Address: **State Road 57, Petersburg, IN 47567**
Operated by: **Indianapolis Power and Light**
ORIS Code: **994**
Effective: **January 1, 2000 through December 31, 2004**

the above corporation is hereby authorized to operate subject to the conditions contained herein, these facilities:

Units 1, 2, 3, and 4.

Operation Permit No.: AR 125-5115-00002	
Issued by: Felicia R. George, Assistant Commissioner Office of Air Management	Issuance Date: Expiration Date:

Table of Contents

1) Statement of Basis

Statutory and Regulatory Authorities: In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Titles IV and V of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

2) Standard Requirements

Permit Requirements [326 IAC 21]

(a) The designated representative of each affected source and each affected unit at the source shall:

(1) Submit a complete Acid Rain permit application, by submitting a sulfur dioxide application and compliance plan in accordance with the deadlines in 40 CFR 72.30; and

(2) Submit in a timely manner any supplemental information that IDEM, OAM determines is necessary in order to review an Acid Rain permit application or an Acid Rain portion of an operation permit application and issue or deny an Acid Rain permit;

Information required by (1) and (2) above shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

(b) The owners and operators of each affected source and each affected unit at the source shall:

(1) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the IDEM, OAM.

Monitoring Requirements [326 IAC 21]

(a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 74, 75, and 76**.**

(b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

(c) The requirements of 40 CFR 74 and 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements [326 IAC 21]

(a) The owners and operators of each source and each affected unit at the source shall:

(1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 73.35), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

(b) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.

(c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:

(1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2);or

(2) Starting on the latter of January 1, 2000 or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).

(d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

(e) An allowance shall not be deducted in order to comply with the requirements under paragraph (a)(1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.

(f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain Permit application, the Acid Rain Permit, the Acid Rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

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

(h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)].

(i) No limit shall be placed on the number of allowances held by an affected source. A affected source may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]

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

SO_2 Allowance Allocations for Unit 1
(1) 2000 - 7,029*
(2) 2001 - 7,029*
(3) 2002 - 7,029*
(4) 2003 - 7,029*
(5) 2004 - 7,029*

SO_2 Allowances for Unit 2
(1) 2000 - 13,850*
(2) 2001 - 13,850*
(3) 2002 - 13,850*
(4) 2003 - 13,850*
(5) 2004 - 13, 850*

SO_2 Allowances for Unit 3
(1) 2000 - 16,743*
(2) 2001 - 16,743*
(3) 2002 - 16,743*
(4) 2003 - 16,743*
(5) 2004 - 16,743*

SO_2 Allowances for Unit 4
(1) 2000 - 16,019*
(2) 2001 - 21,059**
(3) 2002 - 16,019*
(4) 2003 - 16,019*
(5) 2004 - 16,019*

*The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3, and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO_2 allowance allocations identified in this permit (See 40 CFR 72.84).

Nitrogen Oxides Requirements [326 IAC 21]

(a) The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides (NO_x).

(b) The designated representative shall submit a timely and complete permit application and compliance plan for NO_x emissions for each Phase II affected unit at the source to IDEM, OAM and U.S.EPA by January 1, 1998, in accordance with 40 CFR 76.9.

The designated representative shall submit required information to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Phase II NO_x
401 M Street, SW
Washington, DC 20460

(c) After receipt of the required information, IDEM, OAM will reopen and revise the Acid Rain portion of the source's operating permit to add Acid Rain Program NO_x requirements, in accordance with 40 CFR 76.

(d) The reopening in (c) shall not affect the term of the acid rain portion of the source's operating permit. [40 CFR 72.85(d)]

(e) Upon application by a source and approval by the Commissioner, an Alternative Emissions Limit (AELs) may be granted to a unit in accordance with 40 CFR 76.10.

Excess Emissions Requirements [326 IAC 21]

(a) The designated representative of an affected unit that has excess emissions of sulfur dioxide in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAM as required under 40 CFR 77 and 326 IAC 21.

The designated representative shall submit required information to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Annual Reconciliation
401 M Street, SW
Washington, DC 20460

(b) The owners and operators of an affected unit that has excess emissions in any calendar year shall:

(1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA

upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and

(2) Comply with the terms of an approved offset plan, as required by 40 CFR 77 and 326 IAC 21.

Record Keeping and Reporting Requirements [326 IAC 21]

(a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by U.S. EPA or IDEM, OAM:

(1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;

(2) All emissions monitoring information collected shall be retained on site for 3 years in accordance with 40 CFR 75.54;

(3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and

(4) Copies of all documents used to complete an Acid Rain Permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21.

Submit required information to the appropriate authority(ies) as specified in 40 CFR 72.90 subpart I and 40 CFR 75.

Submissions [326 IAC 21]

(a) The designated representative shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA in accordance with 40 CFR 72 and 326 IAC 21.

The designated representative shall submit required information to:

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Designated Representative
401 M Street, SW
Washington, DC 20460

(b) Each submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.

(c) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature:

(1) The following statement, which shall be included verbatim in the submission: "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made." and

(2) The following statement which shall be included verbatim in the submission: "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(d) The designated representative of a source shall serve notice on each owner and operator of the source and of an affected unit at the source:

(1) By the date of submission, of any Acid Rain Program submissions by the designated representative, and

(2) Within 10 business days of receipt of a determination, of any written determination by U.S. EPA or IDEM, OAM,

(3) Provided that the submission or determination covers the source or the unit.

(e) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under condition (d) of this section, unless the owner or operator expressly waives the right to receive a copy.

Severability [326 IAC 21]

Invalidation of the acid rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any other portion of the operating permit affect the continuing validity of the acid rain portion of the permit. [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)].

Liability [326 IAC 21]

(a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain Permit application, an Acid Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.

(b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Clean Air Act and 18 U.S.C. 1001 and shall be subject to criminal enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.

(c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

(e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.

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

(g) Each violation of a provision of 40 CFR 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

Effect on Other Authorities [326 IAC 21]

No provision of the Acid Rain Program, an Acid Rain Permit application, an Acid Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)),

exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;

(c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;

(d) Modifying the Federal Power Act (16 USC 791a et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

(e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

Appendix D
Indianapolis Power & Light - Petersburg Generating Station
Fugitive Dust Control Plan
326 IAC 6-5

1. Name and Address of Source

Petersburg Generating Station
S.R. 57
Petersburg, IN 47567

2. Name of Owner/Operator Responsible for Execution of Control Plan

Petersburg Generation Station
Indianapolis Power & Light Company

3. Identification of Process

Limestone/gypsum haul roads for material utilized by the FGD's on Units 1 & 2.

4. Location of Paved and Unpaved Roads Covered by Plan

Identified by red outline on source layout diagram.

5. Type of Material Handled

Limestone and gypsum

6. Description of Vehicular Traffic

Haul trucks

7. Control Measures

Fugitive dust on paved and unpaved roads associated with FGD operation for Units 1 & 2 will be monitored by visual observations and controlled by wetting or flushing with a watering truck or cleaned with a vacuum-sweeper on an as needed basis.