



Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

100 North Senate Avenue
Indianapolis, Indiana 46204
(317) 232-8603
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TO: Interested Parties / Applicant

DATE: June 27, 2006

RE: Northern Indiana Public Service Company (NIPSCO) Bailly Generating Station
Permit Number: 127-6635-00002

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

Notice of Decision: Approval

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective on July 1, 2006, 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:

- (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 impracticable to raise such issues, or if the grounds for such objection arose after the comment period.

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

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

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.



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PART 70 OPERATING PERMIT OFFICE OF AIR QUALITY

**Northern Indiana Public Service Company (NIPSCO)
Bailly Generating Station
246 Bailly Station Road
Chesterton, Indiana 46320**

(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 2-7-10.5, applicable to those conditions.

Operation Permit No.: T127-6635-00002	
Issued by:Original signed by Paul Dubenetzky, Assistant Commissioner Office of Air Quality	Effective Date:July 1, 2006 Expiration Date:July 1, 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 electric utility generating station.

Responsible Official: Vice President Generation
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304
Mailing Address: Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410
Source Telephone: 219-647-5252
SIC Code: 4911
County Location: Porter
Source Location Status: Nonattainment for PM_{2.5} and 1-hour and 8-hour ozone standards
Attainment for all other criteria pollutants
Source Status: Part 70 Permit Program
Major Source, under PSD, and Emission Offset Rules
Major Source, Section 112 of the Clean Air Act
1 of 28 Source Categories

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

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

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Construction of a selective catalytic reduction (SCR) system on Unit 8 began in 2003. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (c) Two (2) natural gas-fired boilers, identified as Auxiliary Boiler 1 and Auxiliary Boiler 2, with construction completed in 1980, each with a nominal heat input capacity of 99.9 million Btu per hour, both exhausting through Stack 5.

- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.
- (e) One (1) 825 horsepower diesel starter engine for Unit 10 combustion turbine.
- (f) A coal storage and handling system for Units 7 and 8, constructed in 1962 and 1968, with a maximum throughput of 1000 tons of coal per hour, consisting of the following equipment:
 - (1) One (1) railcar unloading station with particulate emissions controlled by enclosure and wet suppression.
 - (2) An enclosed conveyor system, with the transfer points underground or enclosed by buildings. A telescoping chute is used to drop coal to the storage pile(s).
 - (3) Coal storage pile(s), with fugitive dust emissions controlled by compaction.
- (g) Two (2) enclosed coal crushers, constructed before October 24, 1974 and reconstructed in 2003, each with a maximum throughput of 600 tons of coal per hour, exhausting through a baghouse.
- (h) Material handling and storage facilities for the flue gas desulfurization system, with installation started in 1990 and completed in 1992, including the following:
 - (1) Pneumatic conveyance of limestone to storage silos and from the silos to the scrubber, at a maximum throughput rate of 26.7 tons per hour.
 - (2) Pneumatic conveyance of hydrated lime to a storage silo and from the silo to the scrubber, at a maximum throughput rate of 4.8 tons per hour.
 - (3) Two (2) limestone storage silos, with a combined storage capacity of 2225 tons, each with a bin vent filter to recover the pneumatically conveyed material.
 - (4) One (1) hydrated lime storage silo, with a storage capacity of 115 tons, with a bin vent filter to recover the pneumatically conveyed material.
 - (5) Dewatered gypsum is transferred via an enclosed conveyor to an enclosed storage building at a maximum throughput rate of 48.8 tons per hour. Gypsum is transferred to trucks by front end loader in the building and taken offsite.
- (i) Fly ash handling, installed in 1981 or 1982, including the following:
 - (1) Vacuum conveyance of fly ash to storage silos with particulate emissions controlled by bin vent filter, with a maximum throughput rate of 10.2 tons per hour.
 - (2) Two (2) fly ash silo unloading with silo collector bag filters and silo bin vent bag filters. Each silo has wet and dry unloaders, each with a maximum throughput rate of 500 tons/hr, with particulate emissions from each controlled by the use of a telescoping chute with a vacuum system and a storage silo bin vent filter when the ash is being loaded dry, and controlled by the use of water spray mixed with the ash when the ash is being loaded wet.
- (j) Wet process bottom ash handling installed in the 1960's, with bottom ash sluiced to storage pond(s), with water cover or vegetation sufficient to prevent ash re-entrainment. Ash removed from the pond(s) is stored in piles before being taken offsite by truck.

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) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour, including one (1) 2.4 million Btu per hour (MMBtu/hr) natural gas-fired main office building boiler installed after 1985, and one (1) 780,000 Btu per hour natural gas-fired boiler at the EPSC (the Electric Product Services Center building) installed in the 1990's, for building heat only. [326 IAC 6-2]
- (b) Degreasing operations that do not exceed 145 gallons per 12 months, except if subject to 326 IAC 20-6. [326 IAC 8-3-2]
- (c) Cleaners and solvents characterized as follows: [326 IAC 8-3]
 - (1) Having a vapor pressure equal to or less than 2 kPa; 15 mm Hg; or 0.3 psi measured at 38 degrees C (100°F) or;
 - (2) Having a vapor pressure equal to or less than 0.7 kPa; 5mm Hg; or 0.1 psi measured at 20°C (68°F); the use of which for all cleaners and solvents combined does not exceed 145 gallons per 12 months.
- (d) Coal bunker and coal scale exhausts and associated dust collector vents. [326 IAC 6-3]
- (e) Emergency generators as follows: One (1) FGD system emergency quench pump powered by a 500 horsepower diesel generator. [326 IAC 7] [326 IAC 2]
- (f) Other emergency equipment as follows [326 IAC 7]:
 - (1) One (1) stationary fire pump (diesel-fired).
 - (2) One (1) Unit 10 emergency generator, using diesel as fuel, with a maximum capacity less than 1,600 horsepower.
- (g) Grinding and machining operations controlled with fabric filters, scrubbers, mist collectors, wet collectors and electrostatic precipitators with a design grain loading of less than or equal to 0.03 grains per actual cubic foot and a gas flow rate less than or equal to 4000 actual cubic feet per minute, including the following: deburring; buffing; polishing; abrasive blasting; pneumatic conveying; and woodworking operations. [326 IAC 6-3]
- (h) Other activities or categories not previously identified with potential, uncontrolled emissions equal to or less than thresholds require listing only: Pb 0.6 ton per year or 3.29 pounds per day, SO₂ 5 pounds per hour or 25 pounds per day, NO_x 5 pounds per hour or 25 pounds per day, CO 25 pounds per day, PM 5 pounds per hour or 25 pounds per day, VOC 3 pounds per hour or 15 pounds per day; including evaporation of boiler chemical cleaning liquids.

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

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

- (a) It is a major source, as defined in 326 IAC 2-7-1(22);
- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability); 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, T127-6635-00002, is issued for a fixed term of five (5) years from the effective 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 "responsible 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 effective date of the permit 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 "responsible 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 the effective date of this permit for the source as described in 326 IAC 1-6-3. At a minimum, the PMPs 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 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 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: 317-233-6865.

- (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 "responsible 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 effective date of this permit, 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 effective date;
 - (3) The applicable requirements of the acid rain program, consistent with Section 408(a) of the Clean Air Act; and
 - (4) The ability of U.S. EPA to obtain information from the Permittee under Section 114 of the Clean Air Act.
- (e) This permit shield is not applicable to any change made under 326 IAC 2-7-20(b)(2) (Sections 502(b)(10) of the Clean Air Act changes) and 326 IAC 2-7-20(c)(2) (trading based on State Implementation Plan (SIP) provisions).
- (f) This permit shield is not applicable to modifications eligible for group processing until after IDEM, OAQ, has issued the modifications. [326 IAC 2-7-12(c)(7)]
- (g) This permit shield is not applicable to minor Part 70 permit modifications until after IDEM, OAQ, has issued the modification. [326 IAC 2-7-12(b)(8)]

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

- (a) All terms and conditions of permits established prior to T127-6635-00002 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 "responsible 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 "responsible 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 "responsible 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.

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

- (a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the IDEM, OAQ prior to making any modification to the source. Pursuant to 326 IAC 1-2-42, "Modification" 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 "responsible 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 and 326 IAC 2-3-2.

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

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

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

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

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

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

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

- (a) No Part 70 permit revision 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). The notification requirement per (a)(4) of this condition does not apply to emission trades of SO₂ or NO_x under 326 IAC 21 or 326 IAC 10-4.

(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 SO₂ or NO_x 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 13-30-3-1]

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 2-7-5(3)][326 IAC 2-7-6][62 FR 8314]

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. 326 IAC 9-1-2 is not federally enforceable.
- 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 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.7 Stack Height [326 IAC 1-7]
The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted. The provisions of 326 IAC 1-7-1(3), 326 IAC 1-7-2, 326 IAC 1-7-3(c) and (d), 326 IAC 1-7-4, and 326 IAC 1-7-5(a), (b), and (d) are not federally enforceable.

C.8 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

The Permittee shall comply with the applicable requirements of 326 IAC 14-10, 326 IAC 18, and 40 CFR 61.140.

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

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

- (a) All required 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 performance 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.10 Compliance Requirements [326 IAC 2-1.1-11]

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

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

C.11 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days after the effective date of this permit. 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 "responsible 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.12 Maintenance of Continuous Opacity Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

- (a) The Permittee shall calibrate, maintain, and operate all necessary continuous opacity monitoring systems (COMS) and related equipment. For a boiler, the COMS shall be in operation at all times that the induced draft fan is in operation.
- (b) All (COMS) shall meet the performance specifications of 40 CFR 60, Appendix B, Performance Specification No. 1, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5.
- (c) In the event that a breakdown of a COMS occurs, a record shall be made of the time and reason of the breakdown and efforts made to correct the problem.
- (d) Whenever a COMS is malfunctioning or is down for maintenance, or repairs for a period of twenty-four (24) hours or more and a backup COMS is not online within twenty-four (24) hours of shutdown or malfunction of the primary COMS, the Permittee shall provide a certified opacity reader, who may be an employee of the Permittee or independent contractors, to self-monitor the emissions from the emission unit stack.
 - (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 a COMS is online.
 - (3) Method 9 readings may be discontinued once a COMS is online.
 - (4) Any opacity exceedances determined by Method 9 readings shall be reported with the Quarterly Opacity Exceedances Reports.
- (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.

C.13 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.14 Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

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

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

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

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

- (a) The Permittee shall prepare written emergency reduction plans (ERPs) consistent with safe operating procedures.
- (b) These ERPs shall be submitted for approval to:

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

within ninety (90) days after the effective date of this permit.

The ERP does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) If the ERP is disapproved by IDEM, OAQ, the Permittee shall have an additional thirty (30) days to resolve the differences and submit an approvable ERP.
- (d) These ERPs shall state those actions that will be taken, when each episode level is declared, to reduce or eliminate emissions of the appropriate air pollutants.
- (e) Said ERPs shall also identify the sources of air pollutants, the approximate amount of reduction of the pollutants, and a brief description of the manner in which the reduction will be achieved.
- (f) Upon direct notification by IDEM, OAQ,, that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]

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

C.17 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.18 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5]
[326 IAC 2-7-6]**

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall 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, for the pollutant for which the test was performed, 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 "responsible 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.19 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

-
- (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 purposes of Part 70 fee assessment.

The statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue
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.20 General Record Keeping Requirements [326 IAC 2-7-5(3)][326 IAC 2-7-6][326 IAC 2-2][326 IAC 2-3]

- (a) Records of all required monitoring data, reports and support information required by this permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. 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 the effective date of this permit.
- (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.21 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 "responsible 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 "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) The first report shall cover the period commencing on the effective date 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, "calendar 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.22 Compliance with 40 CFR 82 and 326 IAC 22-1

Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with 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.23 Ambient Monitoring [326 IAC 7-3]

- (a) The Permittee shall operate continuous ambient sulfur dioxide air quality monitors and a meteorological data acquisition system according to a monitoring plan submitted to the commissioner for approval. The monitoring plan shall include requirements listed in 326 IAC 7-3-2(a)(1), 326 IAC 7-3-2(a)(2) and 326 IAC 7-3-2(a)(3).
- (b) The Permittee and other operators subject to the requirements of 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 - Coal Fired Boiler Units 7 and 8

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

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Construction of a selective catalytic reduction (SCR) system on Unit 8 began in 2003. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

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

- (h) Other activities or categories not previously identified with potential, uncontrolled emissions equal to or less than thresholds require listing only: Pb 0.6 ton per year or 3.29 pounds per day, SO₂ 5 pounds per hour or 25 pounds per day, NO_x 5 pounds per hour or 25 pounds per day, CO 25 pounds per day, PM 5 pounds per hour or 25 pounds per day, VOC 3 pounds per hour or 15 pounds per day; including evaporation of boiler chemical cleaning liquids.

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

D.1.0 NOV Provisions

U.S. EPA has issued a Notice of Violation to this Permittee for allegedly failing to obtain, and comply with, New Source Review ("NSR"), Prevention of Significant Deterioration, and/or NSR for minor source Permits authorizing construction of physical modifications to units and operation of the modified units, as required by provisions set out in the Clean Air Act and 326 IAC 2. Therefore, the permit shield in Section B - Permit Shield does not shield the Permittee from possible enforcement actions initiated by U.S. EPA, IDEM or citizens involving Boilers Units 7 and 8. Compliance with the terms of this permit does not serve as proof of compliance for Boilers Units 7 and 8 or the matters addressed in the NOV. Following resolution of this action, IDEM will reopen this permit, if necessary, to incorporate a compliance schedule or any new applicable requirements. The standard language of Section B - Permit Shield does not shield any activity on which the permit is silent.

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

D.1.1 Sulfur Dioxide (SO₂) [326 IAC 7-4-14]

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the sulfur dioxide (SO₂) emissions from the flue gas desulfurization system stack shall be limited to 1.2 pound per million Btu's of energy input based on a thirty (30) day rolling weighted average.

- (b) Pursuant to 326 IAC 7-4-14(2)(A) (Porter County Sulfur Dioxide Emission Limitations), the SO₂ emissions from Unit 7 and Unit 8 shall not exceed 6.0 pounds per million Btu's (lbs/MMBtu) based on a thirty (30) day rolling weighted average when the FGD system is not in use.

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

Pursuant to 326 IAC 6-2-2 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(b)), the PM emissions from Units 7 and 8 shall not exceed 0.22 pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

$$Pt = \frac{0.87}{Q^{0.16}} \quad \text{Where } Q = \text{total source capacity (MMBtu/hr)}$$

Pursuant to 326 IAC 6-2-2(b), the emission limitations for those indirect heating facilities which were existing and in operation on or before June 8, 1972, shall be calculated using the above equation where Q shall reflect the total source capacity on June 8, 1972. For Units 7 and 8, Q = 5015.18 MMBtu/hr (1638 MMBtu/hr + 3374 MMBtu/hr + 2.4 MMBtu/hr main office building boiler + 0.78 MMBtu/hr EPSC building boiler).

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

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

Compliance Determination Requirements

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

By December 31 of the second calendar year following the most recent stack test, or within 180 days after the effective date of this permit, whichever is later, compliance with the PM limitation for Boilers 7 and 8 shall be determined by performance stack tests conducted using methods as approved by the Commissioner. This testing shall be repeated by December 31 of every second calendar year following this valid compliance demonstration. Testing shall be conducted in accordance with

Section C- Performance Testing.

For the purpose of this permit, "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

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

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

D.1.6 Scrubber Operation [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

Except as otherwise provided by statute or rule or in this permit, the scrubber shall be operated as needed to maintain compliance with all applicable SO₂ emission limits.

D.1.7 Continuous Emissions Monitoring [326 IAC 3-5] [326 IAC 7-2]

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and PC (64) 1816, issued March 15, 1990, continuous emission monitoring systems for Units 7 and 8 shall be calibrated, maintained, and operated for measuring opacity, SO₂ after the scrubber, NO_x, and either CO₂ or O₂ after the scrubber, which meet the performance specifications of 326 IAC 3-5-2.
- (b) Pursuant to PC (64) 1816, the opacity monitors shall be located in the individual unit ducts downstream of the ESP's but upstream of the FGD system combined flow duct for the scrubbed flue gas exhausting through Stack CS001 and in the stack for the flue gas exhausted through Stack CS002 in locations that meet the EPA CEM location guidelines. Data from these continuous opacity monitors shall not be combined but rather shall be recorded and reported separately.
- (c) Pursuant to PC (64) 1816, a separate 30-day rolling weighted average for SO₂ shall be maintained for the FGD stack and the previously existing Bailly station stack. Each day for which there is a period of more than one hour during which either stack is in use for the purpose of venting emissions from one or both of the Bailly Station units shall be included (on a weighted basis) in the 30 day rolling weighted average for that stack.
- (d) Pursuant to PC (64) 1816, the 30-day rolling weighted average SO₂ emission rates shall be determined by using the continuous emission monitor data to calculate daily SO₂ emission rates. Excess hourly average emission rates due to startup or shutdown may be excluded from the calculation of the daily average but shall be reported on a quarterly basis.
- (e) Pursuant to 326 IAC 7-2-1(g) for SO₂, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 shall be used as the means for determining compliance with the emission limitations in 326 IAC 7. The other requirements of 326 IAC 7-2 shall not apply.
- (f) All continuous emission monitoring systems are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- (g) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring system pursuant to 326 IAC 3-5, 326 IAC 10-4, or 40 CFR 75.

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

D.1.8 Transformer-Rectifier (T-R) Sets [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) The ability of the ESP to control particulate emissions shall be monitored once per day, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the T-R sets.
- (b) Reasonable response steps shall be taken 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.1.9 Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) In the event of emissions exceeding thirty percent (30%) average opacity for three (3) consecutive six (6) minute averaging periods, appropriate response steps shall be taken in accordance with Section C - Response to Excursions or Exceedances such that the cause(s) of the excursion are identified and corrected and opacity levels are brought back below thirty percent (30%). Examples of expected response steps include, but are not limited to, boiler loads being reduced, adjustment of flue gas conditioning rate, and ESP T-R sets being turned 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.1.10 SO₂ Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

- (a) Whenever both the primary and back-up SO₂ continuous emission monitoring systems are malfunctioning or down for repairs or adjustments for twenty-four (24) hours or more, and the FGD system is in use, the Permittee shall monitor and record the feed rate to the absorber, pressure drop across the absorber, absorber pH, slurry density, percent (%) solids in slurry, and carbonate concentration in micromoles per liter, to demonstrate that the operation of the scrubber continues in a manner typical for the boiler load and sulfur content of the coal fired. Scrubber parametric monitoring readings shall be recorded at least twice per day until the primary CEMS or a backup CEMS is brought online.
- (b) Whenever both the primary and backup SO₂ continuous emission monitoring (CEM) systems are malfunctioning or down for repairs or adjustments for twenty-four (24) hour or more, and the FGD system is not in use, the following shall be used to provide information related to SO₂ emissions:
 - (1) Fuel sampling shall be conducted as specified in 326 IAC 3-7-2(b). Fuel sample preparation and analysis shall be conducted as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e). Pursuant to 326 IAC 3-7-3, manual or other non-ASTM automatic sampling and analysis procedures may be used upon a demonstration, submitted to the department for approval, that such procedures provide sulfur dioxide emission estimates representative either of estimates based on coal sampling and analysis procedures specified in 326 IAC 3-7-2 or of continuous emissions monitoring.

- (2) If during the life of this permit the Permittee notifies the IDEM that, pursuant to 326 IAC 7-2-1(g), continuous emission monitoring data will be used instead of fuel sampling and analysis, then whenever the SO₂ continuous emission monitoring system is malfunctioning or down for repairs or adjustments, the following shall be used to provide information related to SO₂ emissions:
 - (A) If the CEM system is down for less than twenty-four (24) hours, the Permittee shall substitute an average of the quality-assured data from the hour immediately before and the hour immediately after the missing data period for each hour of missing data.
 - (B) If the CEM system is down for twenty-four (24) hours or more, fuel sampling shall be conducted as specified in part (b)(1) of this condition, above.

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

D.1.11 Record Keeping Requirements

- (a) To document compliance with Section C - Opacity, Section C - Maintenance of Continuous Opacity Monitoring Equipment, and the particulate matter and opacity requirements in Conditions D.1.2, D.1.3, D.1.4, D.1.7, and D.1.8, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits in Section C - Opacity and Conditions D.1.2 and D.1.3.
 - (1) Data and results from the most recent stack test.
 - (2) All continuous opacity monitoring data, pursuant to 326 IAC 3-5-6.
 - (3) The results of all Method 9 visible emission readings taken during any periods of COMS downtime.
 - (4) All ESP parametric monitoring readings.
- (b) To document compliance with the SO₂ requirements in Conditions D.1.1(a) and (b), D.1.7, and D.1.10, the Permittee shall maintain records in accordance with (1) through (5) below. Records shall be complete and sufficient to establish compliance with the applicable SO₂ limit(s) as required in Conditions D.1.1, D.1.7, and D.1.10. The Permittee shall maintain records in accordance with (3) and (4) below during SO₂ CEM system downtime.
 - (1) All SO₂ continuous emissions monitoring data, pursuant to 326 IAC 3-5-6, 326 IAC 7-2-1(g), and 40 CFR 60.45.
 - (2) All startup periods and shutdown periods.
 - (3) All scrubber parametric monitoring readings taken during any periods of CEM downtime, in accordance with Condition D.1.10(a).
 - (4) All fuel sampling and analysis data collected for SO₂ CEMS downtime, in accordance with Condition D.1.10(b).
 - (5) Actual fuel usage during each SO₂ CEM downtime.
- (c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.12 Reporting Requirements

- (a) A quarterly report of opacity exceedances and a quarterly summary of the information to document compliance with Section C - Opacity and Conditions D.1.1(a) and (b), D.1.2, D.1.3, and D.1.7 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 "responsible official" as defined by 326 IAC 2-7-1(34).

Pursuant to Condition D.1.7(d) regarding the reporting of 30-day rolling weighted average emission rates for SO₂, the quarterly report for SO₂ shall explain whether any excess 24 hour average emission rates due to startup and shutdown were excluded from the compliance determination.

- (b) Pursuant to 326 IAC 3-5-7(5), reporting of continuous monitoring system instrument downtime, except for zero (0) and span checks, which shall be reported separately, shall include the following:
- (1) Date of downtime.
 - (2) Time of commencement.
 - (3) Duration of each downtime.
 - (4) Reasons for each downtime.
 - (5) Nature of system repairs and adjustments.

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

SECTION D.2 FACILITY OPERATION CONDITIONS - Natural Gas Fired Boilers

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

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

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

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

(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 PSD Minor Limit [326 IAC 2-2-1]

Pursuant to 326 IAC 2-2-1 (PSD Requirements), the following limitations and standards shall be met:

- (a) In order to make the requirements of 326 IAC 2-2-1(x) and 326 IAC 2-2-1(jj) (PSD Requirements) not applicable to Auxiliary Boilers 1 and 2, the nitrogen oxides (NO_x) emissions from both of the auxiliary boilers shall be limited to less than 40 tons per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month.
- (b) The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period, with compliance determined at the end of each month.
- (c) NO_x emissions shall not exceed 280 lb/MMCF.

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

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

$$Pt = \frac{0.87}{Q^{0.16}} \quad \text{Where } Q = \text{total source capacity (MMBtu/hr)}$$

Pursuant to 326 IAC 6-2-2(c), the emission limitations for those indirect heating facilities which began operation after June 8, 1972, and before September 21, 1983 shall be calculated using the above equation where Q includes the capacity for the facility in question and the capacities for those facilities which were previously constructed. For Auxiliary Boilers 1 and 2, $Q = 1638 \text{ MMBtu/hr} + 3374 \text{ MMBtu/hr} + 2.4 \text{ MMBtu/hr} + 0.78 \text{ MMBTU/hr} + (2)(99.9 \text{ MMBTU/hr}) = 5214.98 \text{ MMBTU/hr}$.

- (b) Pursuant to 326 IAC 6-2-4 (Particulate Emission Limitations for Sources of Indirect Heating: the PM emissions from the 2.4 MMBtu/hr main office building boiler and from the 0.78 MMBTU/hr EPSC building boiler shall not exceed 0.12 pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

$$Pt = \frac{1.09}{Q^{0.26}} \quad \text{Where } Q = \text{total source capacity (MMBtu/hr)}$$

Pursuant to 326 IAC 6-2-4(a), the emission limitations for those indirect heating facilities which were existing and in operation after September 12, 1983, shall be calculated using the above equation where Q shall reflect the total source heat input capacity.

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

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

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

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

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

D.2.4 Record Keeping Requirements

- (a) To document compliance with Condition D.2.1, the Permittee shall maintain records of the monthly natural gas usage for Auxiliary Boilers 1 and 2, in MMCF.
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.5 Reporting Requirements

A quarterly summary of the information to document compliance with Condition D.2.1 shall be submitted to the addresses listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported.

SECTION D.3

FACILITY CONDITIONS - Internal Combustion Units

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

- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.
- (e) One (1) 825 horsepower diesel starter engine for Unit 10 combustion turbine.

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

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

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

Emission Limitations and Standards

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

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

D.3.2 Sulfur Dioxide (SO₂) [326 IAC 7] [326 IAC 2]

- (a) Pursuant to 326 IAC 7-1.1-2 (Sulfur Dioxide Emission Limitations), the SO₂ emissions from the diesel-fired emergency generators and the diesel starter engine for Unit 10 shall not exceed 0.5 pounds per million Btu (lbs/MMBtu).
- (b) Pursuant to PC (64) 1816, issued March 15, 1990, the oil burned in the flue gas desulfurization (FGD) system emergency diesel generator shall have a maximum sulfur content of 0.3 percent (%).

Compliance Determination Requirements

D.3.3 Sulfur Dioxide Emissions and Sulfur Content [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

Compliance with Condition D.3.2 shall be determined utilizing one of the following options:

- (a) Pursuant to 326 IAC 7-2-1(e) and 326 IAC 3-7-4, fuel sampling and analysis data shall be collected as follows:
 - (1) The Permittee may rely upon vendor analysis of fuel delivered, if accompanied by a vendor certification [326 IAC 3-7-4(b)]; or,
 - (2) The Permittee shall perform sampling and analysis of fuel oil samples in accordance with 326 IAC 3-7-4(a).
 - (A) Oil samples shall be collected from the tanker truck load prior to transferring fuel to the storage tank; or

- (B) Oil samples shall be collected from the storage tank immediately after each addition of fuel to the tank.
- (b) Compliance may also be determined by conducting a stack test for sulfur dioxide emissions from the engines and generators, using 40 CFR 60, Appendix A, Method 6 in accordance with the procedures in 326 IAC 3-6.

A determination of noncompliance pursuant to any of the methods specified in (a) or (b) above shall not be refuted by evidence of compliance pursuant to the other method.

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

D.3.4 Record Keeping Requirements

- (a) To document compliance with the requirements in Conditions D.3.2 and D.3.3, the Permittee shall maintain records of all fuel sampling and analysis data, pursuant to 326 IAC 7-2. Records shall be complete and sufficient to establish compliance with the limits in Condition D.3.2.
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.4

FACILITY CONDITIONS - Coal Handling

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

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

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

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

(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 New Source Performance Standard (NSPS): Coal Preparation Plants [326 IAC 12] [40 CFR 60, Subpart Y]

Pursuant to 326 IAC 12 and 40 CFR 60, Subpart Y (Standards of Performance for Coal Preparation Plants) the exhaust from the following coal processing and handling equipment shall not exhibit opacity greater than or equal to twenty percent (20%) [40 CFR 60.252(c)]:

- (a) the coal crushers; and
- (b) any coal conveyors, beginning after the coal storage piles, which are replaced or reconstructed or have been replaced or reconstructed after October 24, 1974.

D.4.2 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), for the coal processing, which has a maximum process weight rate greater than 200 tons per hour, the concentration of particulate in the discharge gases to the atmosphere shall be less than one tenth (0.10) pounds per one thousand (1,000) pounds of gases.

D.4.3 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 the coal crushers and any conveyors, beginning after the coal storage piles, which are reconstructed or have been reconstructed after October 24, 1974, except when otherwise specified in 40 CFR Part 60, Subpart Y.

Compliance Determination Requirements

D.4.4 NSPS Test Methods and Procedures [326 IAC 2-7-6(1), (3), (6)] [326 IAC 2-1.1-11] [40 CFR 60.8] [40 CFR 60.46]

Within 60 days following January 20, 2004, the date on which the coal crushers achieved the maximum production rate at which they will be operated, the owner or operator shall conduct performance tests for NSPS Subpart Y for the crushers. Performance tests shall be conducted and data reduced in accordance with the test methods and procedures contained in 40 CFR 60.8 and 40 CFR 60.254 unless the Administrator approves an alternative in accordance with 40 CFR 60.8(b). [40 CFR 60.8]

D.4.5 NSPS Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart Y]

Method 9 and the procedures in 40 CFR 60.11 shall be used to determine the opacity of the coal crusher emissions. [40 CFR 60.254(b)(2)]

D.4.6 Particulate Control [326 IAC 2-7-6(6)]

- (a) Except as otherwise provided by statute or rule or in this permit, in order to comply with Conditions D.4.1 and D.4.2, the baghouses for particulate control shall be in operation and control emissions at all times the coal crushing is 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.4.7 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of the coal crusher baghouse exhausts shall be performed once per week during normal daylight operations when the crusher is in operation. A trained employee shall record whether emissions are normal or abnormal.
- (b) If abnormal emissions are observed at a coal crusher baghouse exhaust, 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.

D.4.8 Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) The Permittee shall record the pressure drop across each baghouse used in conjunction with the coal crushing at least once per week when the corresponding coal crusher is in operation. When for any one reading, the pressure drop across the baghouse is outside the normal range of 1.0 and 8.0 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 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.4.9 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.4.10 Record Keeping Requirements

- (a) To document compliance with Condition D.4.7 the Permittee shall maintain records of the visible emission notations of the coal crusher baghouse exhausts.
- (b) To document compliance with Condition D.4.8, 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.

D.4.11 Reporting Requirements [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The owner or operator shall furnish the Administrator a written report of the results of the initial performance tests for NSPS Subpart Y and any subsequent performance tests required by the Administrator under section 114 of the Clean Air Act, in accordance with 40 CFR 60.8.

SECTION D.5 FACILITY OPERATION CONDITIONS - FGD System Material Handling

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

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

(The information describing the process contained in this 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 Particulate [326 IAC 6-3-2]

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

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

$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour and} \\ P = \text{process weight rate in tons per hour.}$$

D.5.2 Material Handling Requirements [326 IAC 2]

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the limestone to be used in the flue gas desulfurization system shall be pulverized to the necessary size off-site and received on-site in a ready to use condition. Lime and limestone shall be delivered to the site in enclosed pneumatic trucks and unloaded pneumatically into storage silos equipped with bin vent filters.
- (b) Dewatered gypsum will be transferred via an enclosed conveyor to an enclosed storage building.

D.5.3 Fugitive Dust Plan [326 IAC 2]

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

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

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

D.5.4 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of each limestone storage silo vent filter exhaust shall be performed once per day during normal daylight operations when transferring limestone to that silo. Visible emission notations of the lime storage silo filter exhaust shall be performed once per day during normal daylight operations when transferring lime. A trained employee shall record whether emissions are normal or abnormal.
- (b) If abnormal emissions are observed from a limestone silo or lime silo exhaust, 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.5.5 Record Keeping Requirements

- (a) To document compliance with Condition D.5.4, the Permittee shall maintain records of the visible emission notations of the limestone silo and lime silo vent exhausts.

- (b) To document compliance with Section C - Opacity and Condition D.5.3, the Permittee shall maintain records of the control procedures for fugitive emissions from vehicle resuspension.
- (c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.6 FACILITY OPERATION CONDITIONS - Fly Ash Handling

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

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

(The information describing the process contained in this 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 [326 IAC 6-3-2]

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

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

$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour and} \\ P = \text{process weight rate in tons per hour.}$$

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

Compliance Determination Requirements

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

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

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

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

- (a) Visible emission notations of the ash silo unloading station openings shall be performed at least once per day during normal daylight operations when ash is being unloaded. A trained employee shall record whether any emissions are observed.
- (b) Visible emission notations of the fly ash conveyance, the ash silo bag filter, and the ash silo bin vent filter exhaust shall be performed at least once per day during normal daylight

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

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

D.6.4 Record Keeping Requirements

- (a) To document compliance with Condition D.6.3, the Permittee shall maintain records of the visible emission notations of the ash silo unloading station openings and the baghouse stack exhaust.
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.7 FACILITY CONDITIONS - Bottom Ash Handling

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

- (j) Wet process bottom ash handling installed in the 1960's, with bottom ash sluiced to storage pond(s), with water cover or vegetation sufficient to prevent ash re-entrainment. Ash removed from the pond(s) is stored in piles before being taken offsite by truck.

(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 Fugitive Dust Emission Limitations [326 IAC 6-4-2]

Pursuant to 326 IAC 6-4-2:

- (a) Any ash storage pond 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:

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

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

D.7.2 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of the ash storage pond area(s) and any bottom ash storage piles shall be performed at least once per day during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.
- (b) 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.
- (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.7.3 Record Keeping Requirements

- (a) To document compliance with Condition D.7.2, the Permittee shall maintain records of visible emission notations of the ash storage pond area(s) and any bottom ash storage piles.
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.8 FACILITY OPERATION CONDITIONS - Degreasing Operations

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

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

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

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

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

D.8.1 Organic Solvent Degreasing Operations: Cold Cleaner Operation [326 IAC 8-3-2]

Pursuant to 326 IAC 8-3-2 (Cold Cleaner Operations), for cold cleaning operations constructed after January 1, 1980, the Permittee shall:

- (a) Equip the cleaner with a cover;
- (b) Equip the cleaner with a facility for draining cleaned parts;
- (c) Close the degreaser cover whenever parts are not being handled in the cleaner;
- (d) Drain cleaned parts for at least fifteen (15) seconds or until dripping ceases;
- (e) Provide a permanent, conspicuous label summarizing the operation requirements;
- (f) Store waste solvent only in covered containers and not dispose of waste solvent or transfer it to another party, in such a manner that greater than twenty percent (20%) of the waste solvent (by weight) can evaporate into the atmosphere.

D.8.2 Organic Solvent Degreasing Operations: Cold Cleaner Degreaser Operation and Control [326 IAC 8-3-5]

(a) Pursuant to 326 IAC 8-3-5(a) (Cold Cleaner Degreaser Operation and Control), for cold cleaner degreaser operations without remote solvent reservoirs, constructed after July 1, 1990, the Permittee shall ensure that the following control equipment requirements are met:

- (1) Equip the degreaser with a cover. The cover must be designed so that it can be easily operated with one (1) hand if:
 - (A) The solvent volatility is greater than two (2) kiloPascals (fifteen (15) millimeters of mercury or three-tenths (0.3) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F));

- (B) The solvent is agitated; or
 - (C) The solvent is heated.
- (2) Equip the degreaser with a facility for draining cleaned articles. If the solvent volatility is greater than four and three-tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six-tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), then the drainage facility must be internal such that articles are enclosed under the cover while draining. The drainage facility may be external for applications where an internal type cannot fit into the cleaning system.
- (3) Provide a permanent, conspicuous label which lists the operating requirements outlined in subsection (b).
- (4) The solvent spray, if used, must be a solid, fluid stream and shall be applied at a pressure which does not cause excessive splashing.
- (5) Equip the degreaser with one (1) of the following control devices if the solvent volatility is greater than four and three-tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six-tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), or if the solvent is heated to a temperature greater than forty-eight and nine-tenths degrees Celsius (48.9°C) (one hundred twenty degrees Fahrenheit (120°F)):
- (A) A freeboard that attains a freeboard ratio of seventy-five hundredths (0.75) or greater.
 - (B) A water cover when solvent is used is insoluble in, and heavier than, water.
 - (C) Other systems of demonstrated equivalent control such as a refrigerated chiller or carbon adsorption. Such systems shall be submitted to the U.S. EPA as a SIP revision.
- (b) Pursuant to 326 IAC 8-3-5(b) (Cold Cleaner Degreaser Operation and Control), the owner or operator of a cold cleaning facility construction of which commenced after July 1, 1990, shall ensure that the following operating requirements are met:
- (1) Close the cover whenever articles are not being handled in the degreaser.
 - (2) Drain cleaned articles for at least fifteen (15) seconds or until dripping ceases.
 - (3) Store waste solvent only in covered containers and prohibit the disposal or transfer of waste solvent in any manner in which greater than twenty percent (20%) of the waste solvent by weight could evaporate.

SECTION D.9 FACILITY CONDITIONS - Grinding and Machining Operations

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

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

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

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

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

D.9.1 Particulate [326 IAC 6-3-2]

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

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

$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour and} \\ P = \text{process weight rate in tons per hour.}$$

Compliance Determination Requirement

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

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

SECTION E

TITLE IV CONDITIONS

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

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Construction of a selective catalytic reduction (SCR) system on Unit 8 began in 2003. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

(The information describing the process contained in this 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 B, 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: 995

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

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Construction of a selective catalytic reduction (SCR) system on Unit 8 began in 2003. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.

(The information describing the process contained in this 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 7, Unit 8, and Unit 10.

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 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 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 the department 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: Northern Indiana Public Service Company (NIPSCO) - Bailly Generating Station
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304
Mailing Address: Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410
Part 70 Permit No.: T127-6635-00002

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

Please check what document is being certified:

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

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

Signature:

Printed Name:

Title/Position:

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: Northern Indiana Public Service Company (NIPSCO) - Bailly Generating Station
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304
Mailing Address: Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410
Part 70 Permit No.: T127-6635-00002

This form consists of 2 pages

Page 1 of 2

- 9** This is an emergency as defined in 326 IAC 2-7-1(12)
- C 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
 - C 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 Quarterly Report: Auxiliary Boiler Natural Gas Usage

Source Name: Northern Indiana Public Service Company (NIPSCO) - Bailly Generating Station
 Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304
 Mailing Address: Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410
 Part 70 Permit No.: T127-6635-00002
 Facilities: Auxiliary Boilers 1 and 2
 Parameter: Minor PSD Limit (NO_x)
 Limit: 285 million cubic feet of natural gas used per 12 consecutive month period

YEAR: _____

Month	Natural Gas Usage This Month (MMCF)	Natural Gas Usage Previous 11 Months (MMCF)	Total Natural Gas Usage for 12 Month Period (MMCF)	Usage Limit (MMCF)
				285
				285
				285

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

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Telephone: _____

Attach a signed certification to complete 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: Northern Indiana Public Service Company (NIPSCO) - Bailly Generating Station
 Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304
 Mailing Address: Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410
 Part 70 Permit No.: T127-6635-00002

Months: _____ to _____ Year: _____

This report shall be submitted quarterly based on a calendar year. For the purpose of this permit, "calendar 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 "No deviations occurred this reporting period".

NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.

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 for a Part 70 Operating Permit

Source Name: Northern Indiana Public Service Company (NIPSCO) Bailly Generating Station
Source Location: 246 Bailly Station Road, Chesterton, Indiana 46304
County: Porter
SIC Code: 4911
Operation Permit No.: T127-6635-00002
Permit Reviewer: Vickie Cordell and ERG/YC

On February 9, 2004, the Office of Air Quality (OAQ) had a notice published in the Chesterton Tribune, Chesterton, Indiana, 46304, stating that Northern Indiana Public Service Company (NIPSCO) Bailly Generating Station in Chesterton, Indiana had applied for a Part 70 Operating Permit to operate an electric utility generating station. The notice also stated that OAQ proposed to issue a Part 70 Operating Permit for this operation and provided information on how the public could review the proposed Part 70 Operating 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 Part 70 Operating Permit should be issued as proposed.

On March 8, 2004, NIPSCO - Bailly Generation Station (referred to as "the Permittee") submitted comments on the proposed Part 70 Operating Permit. On March 9, 2004, Mr. Allen Rose with Indiana Electric Utility Air Work Group (referred to as "IEUAWG") submitted comments on the proposed Part 70 Operating Permit. On April 17, U.S. Environmental Protection Agency (EPA) submitted comments on the proposed P70 Operating Permit. On May 51, 2006, Mr. Kelly Carmichael, on behalf of NIPSCO - Bailly Generating Station, submitted comments on the proposed Part 70 Operating Permit. The summary of the comments is as follows (bolded language has been added, the language with a line through it has been deleted. The Table Of Contents has been modified, if applicable, to reflect these changes.):

Comment 1:

Condition A.1 - General Information. The Permittee requested the following changes to Condition A.1:

- (a) Change the listed Responsible Official to "Vice President Generation or other persons meeting the definition of "Responsible Official" in 326 IAC 2-7-1(34)."
- (b) The Mailing Address should be Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410.
- (c) The Source Telephone is 219-647-5252.
- (d) The Source Location Status should identify the area as one-hour nonattainment for ozone.

Response to Comment 1:

Condition A.1 has been revised as shown below as the result of this comment. However, the Permittee is required to list the title of the responsible official in the permit. In addition, the source is located in the nonattainment area for both 1-hour and 8-hour ozone standards and Porter

County has been classified as nonattainment for PM2.5 in 70 FR 943 dated January 5, 2005. Since the potential to emit VOC is greater than 100 tons/yr, this source is also a Major Source under the Emission Offset Rules . The mailing address of this source has been changed throughout the permit.

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 electric utility generating station.

Responsible Official: Vice President/~~General Manager, Electric Supply~~ **Generation**
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304
Mailing Address: ~~5265 Hohman Avenue, Hammond, Indiana 46320~~ **Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410**
Source Telephone: 219-647-5240**52**
SIC Code: 4911
County Location: Porter
Source Location Status: **Nonattainment for PM2.5 and 1-hour and 8-hour ozone standards**
Attainment for all **other** criteria pollutants
Source Status: Part 70 Permit Program
Major Source, under PSD, and **Emission Offset** Rules;
Major Source, Section 112 of the Clean Air Act;
1 of 28 Source Categories

Comment 2:

Condition A.2 - Emission Units and Pollution Control Equipment Summary. The Permittee stated that references to capacities, throughputs, and sizes are approximate and in many cases guesses because the real values are unknown. In any case the listed values should not be construed to represent the true values. The Permittee objects to the inclusion of such guesses in the descriptions, as the values may be misleading or prove to not represent reality.

In addition, the Permittee requested the following specific changes to the unit descriptions:

- (a) Conditions A.2(a) and (b) - Natural gas and/or No. 2 fuel oil can be fired during startup, shutdown and malfunctions but is not a requirement. Change language from "will" to "can."
- (b) Condition A.2(f)(2) - Delete reference to and description of telescoping chute. The coal storage and handling system for Unit 7 was installed by 1962 and the coal storage and handling system for Unit 7 was installed by 1968.
- (c) Condition A.2(g) - The Permittee stated that the description that the two (2) enclosed coal crushers were reconstructed in 2003 is incorrect, and must be removed for the reasons provided in the comments under Section D. The throughput rate for each crusher is 600 tons of coal per hour, not 500 tons/hr.
- (d) Condition A.2(h) - change reference from fabric filter to bin vent filter for this equipment in A.2(h)(3) and A.2(h)(4) and throughout the permit.
- (e) Condition A.2(i) - Remove the reference to "dry". The Permittee stated that fly ash handling can be wet or dry.
- (f) Condition A.2(i)(2) - Specify that the bin vent filter is the storage silo bin vent filter, and not a separate bin vent filter. In addition, in an e-mail received on June 28, 2004, the Permittee stated that the fly ash conveyance bag filter was inadvertently left out in the description for these storage silos.

Response to Comment 2:

The maximum capacities listed in the emission unit descriptions in Conditions A.2 and A.3 are used by IDEM OAQ in order to describe the units and to assess the source's potential to emit. The process specific emission limitations identified in Section D of the permit are often determined from this information. Physical changes or changes in the method of operation that change the capacity may also increase the emission unit's potential to emit. Documenting the capacity will assist both the Permittee and IDEM in evaluating whether such a change requires a preconstruction permit or other approval. If these capacities are not accurate, the source is required to notify IDEM, OAQ since this may change the applicability of the air permitting rules, and may result in an administrative amendment to the permit.

For Condition A.2(f), the description of telescoping chute with the enclosed conveyor system is necessary because the telescoping chute is considered to be a control method.

The Permittee stated that coal crushers at this source were constructed before October 24, 1974, prior to the rule applicability date of NSPS, Subpart Y. However, these coal crushers were reconstructed in 2003 and are considered new constructed units under NSPS, Subpart Y. Therefore, the reconstructed coal crushers are subject to the requirements of NSPS, Subpart Y. The descriptions of these coal crushers have been revised as shown below.

Conditions A.2, D.6.3 and D.6.4 have been revised as follows to reflect the changes in the unit description. The unit description box in Sections D.1, D.4, D.5, D.6, E and F have also been revised accordingly. Several changes in Section D.4 have been made to remove the requirements of NSPS, Subpart Y for the coal handling process. (These requirements were left in for the coal crushers.)

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) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil ~~will~~ **can** be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil ~~will~~ **can** be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Construction of a selective catalytic reduction (SCR) system on Unit 8 began in 2003. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- ...
- (f) A coal storage and handling system for Units 7 and 8, ~~with installation started in 1972 or 1973 and completed in August 1974,~~ **constructed in 1962 and 1968**, with a maximum throughput of 1000 tons of coal per hour, consisting of the following equipment:

- ...
- (g) Two (2) enclosed coal crushers, ~~reconstructed in October 2003~~ **before October 24, 1974 and reconstructed in 2003**, each with a maximum throughput of ~~500~~ **600** tons of coal per hour, exhausting through a baghouse.
 - (h) Material handling and storage facilities for the flue gas desulfurization system, with installation started in 1990 and completed in 1992, including the following:
...
 - (3) Two (2) limestone storage silos, with a combined storage capacity of 2225 tons, each with a ~~fabrie~~ **bin vent** filter to recover the pneumatically conveyed material.
 - (4) One (1) hydrated lime storage silo, with a storage capacity of 115 tons, with a ~~fabrie~~ **bin vent** filter to recover the pneumatically conveyed material....
 - (i) ~~Dry~~ Fly ash handling, installed in 1981 or 1982, including the following:
...
 - (2) Two (2) fly ash silo unloading **with silo collector bag filters and silo bin vent bag filters. stations, Each silo has wet and dry unloaders**, each with a maximum throughput rate of 500 tons/hr, with particulate emissions from each controlled by the use of a telescoping chute with a vacuum system and a **storage silo bin vent** filter when the ash is being loaded dry, and controlled by the use of water spray mixed with the ash when the ash is being loaded wet....

D.6.3 Particulate Control [326 IAC 2-7-6(6)]

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

D.6.4 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- ...
- (b) Visible emission notations of the **fly ash conveyance, the ash silo bag filter, and the ash silo bin vent filter exhaust**, ~~and the nozzle of the telescoping chute~~ shall be performed at least once per shift during normal daylight operations when transferring ash **to the corresponding silo**. A trained employee shall record whether emissions are normal or abnormal.
 - (c) **Visible emission notations of the nozzle of each telescoping chute shall be performed at least once per shift during normal daylight operations when unloading ash through the chute. A trained employee shall record whether emissions are normal or abnormal.**
- ...

Comment 3:

Condition A.3 - Specifically Regulated Insignificant Activities. - The Permittee had the following comments on the unit description for insignificant activities:

- (a) The main office building boiler was installed around or after 1985. In addition, the EPSC boiler was likely installed in the 1990's. The Permittee requested to make this change and the appropriate particulate emissions changes in Conditions D.1.2 and D.2.2 as necessary.
- (b) There are two water heaters with heat inputs of 3.2 MMBtu/hr and 0.14 MMBtu/hr, both installed in 1985.
- (c) The FGD system emergency quench is powered by a 460 HP diesel engine. Change 500 horsepower to 460 horsepower and generator to engine.
- (d) In addition to the diesel-fired stationary fire pump, there is also a Unit 10 emergency diesel fired generator (not the start-up engine) and the horsepower rating is less than 1,600 hp.
- (e) There is no subparagraph identified for the last listed Insignificant Activity: Evaporation of boiler chemical cleaning liquids. Identify this activity as subparagraph (i).

Response to Comment 3:

The additional water heaters and the emergency generators meet the definitions in 326 IAC 2-7-1(21) and are considered insignificant activities. The SO₂ emissions from the insignificant emergency generator are subject to the requirements of 326 IAC 7. Since this unit has a specifically applicable requirement, the additional insignificant emergency generator will be listed under Condition A.3. The additional water heaters have no specifically applicable requirements. Therefore, these water heaters are only documented in this addendum and will not be listed under Condition A.3. The evaporation of boiler chemical cleaning liquids is a process listed under Condition A.3(h), not a separate unit.

According to Comment 54 provided by the Permittee, the "EPSC" referred to in the unit description for the 0.78 MMBtu/hr natural gas fired boiler should be "Electric Production Service Center" building.

Since the main office building boiler and the EPSC boiler were constructed after September 12, 1983, the PM emissions from these boilers are subject to the requirements of 326 IAC 6-2-4. Pursuant to 326 IAC 6-2-4(a), indirect heating facilities constructed after, shall be limited by the following equation:

$$Pt = \frac{1.09}{Q^{0.26}}$$

Where Pt = emission rate limit (lbs/MMBtu)
Q = total source heat input capacity (MMBtu/hr)

By 1985, the source had four (4) existing boilers, including Unit 7 (1,638 MMBtu/hr), Unit 8 (3,374 MMBtu/hr), Auxiliary Boiler 1 (99.9 MMBtu/hr), and Auxiliary Boiler 2 (99.9 MMBtu/hr). For the main office building boiler (2.4 MMBtu/hr), the emission rate limit calculated from the equation above equals:

$$Pt = \frac{1.09}{(1,638 + 3,374 + 99.9 + 99.9 + 2.4)^{0.26}} = 0.12 \text{ lbs/MMBtu}$$

For the EPSC boiler, the emission rate limit calculated from the equation above equals:

$$Pt = \frac{1.09}{(1,638 + 3,374 + 99.9 + 99.9 + 2.4 + 0.78)^{0.26}} = 0.12 \text{ lbs/MMBtu}$$

Therefore, Condition D.2.2 has been revised to reflect the changes in applicable rules and the PM emission limits for the main office building boiler and the EPSC boiler. Condition A.3 has been revised as below based on the comments provided by the Permittee. The unit description boxes of Sections D.1, D.2 and D.3 have been revised accordingly.

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) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour, including one (1) 2.4 million Btu per hour (MMBtu/hr) natural gas-fired main office building boiler installed in the 1960's **after 1985**, and one (1) 780,000 Btu per hour natural gas-fired boiler at the EPSC (the Electric Product Services **Center** building) installed in the ~~1960's~~**1990's**, for building heat only. [326 IAC 6-2]
...
- (f) Other emergency equipment as follows [326 IAC 7]:
 - (1) One (1) stationary fire pump (diesel-fired). ~~[326 IAC 7]~~
 - (2) **One (1) Unit 10 emergency generator, using diesel as fuel, with a maximum capacity less than 1,600 horsepower.**...
- (h) Other activities or categories not previously identified with potential, uncontrolled emissions equal to or less than thresholds require listing only: Pb 0.6 ton per year or 3.29 pounds per day, SO₂ 5 pounds per hour or 25 pounds per day, NO_x 5 pounds per hour or 25 pounds per day, CO 25 pounds per day, PM 5 pounds per hour or 25 pounds per day, VOC 3 pounds per hour or 15 pounds per day;; **including** Eevaporation of boiler chemical cleaning liquids.

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

- (b) Pursuant to 326 IAC 6-2-~~24~~(Particulate Emission Limitations for Sources of Indirect Heating: ~~Emission limitations for facilities specified in 326 IAC 6-2-1(b)~~), the PM emissions from the 2.4 MMBtu/hr main office building boiler and from the 0.778 MMBTU/hr EPSC building boiler shall not exceed ~~0.22~~ **0.12** pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

$$Pt = \frac{0.871.09}{Q^{0.4626}} \quad \text{Where } Q = \text{total source capacity (MMBtu/hr)}$$

Pursuant to 326 IAC 6-2-~~24~~**4(a)**, the emission limitations for those indirect heating facilities which were existing and in operation ~~on or before June 8, 1972~~ **after September 12, 1983**, shall be calculated using the above equation where Q shall reflect the total source **heat input** capacity ~~on June 8, 1972~~. ~~For the main office building boiler and EPSC boiler, Q = 1638 MMBtu/hr + 3374 MMBtu/hr + 2.4 MMBTU/hr + 0.78 MMBTU/hr = 5014.4 MMBTU/hr.~~

Comment 4:

Condition B.2 Permit Term. The Permittee requests that the terms of the acid rain permit and the NOx budget permit be synchronized with the Title V permit term; and specify that the effective date of the permit be specified as the day the Permittee receives the permit and not when it is issued. It is unreasonable to expect a source to comply with a permit that has not been received. The Permittee requested this change be made consistent throughout the permit.

Response to Comment 4:

The Acid Rain Permit and the Part 70 permit both have five-year permit terms. The Acid Rain Permit was issued on December 31, 1997 and is effective January 1, 2000 through December 31, 2004. While the Acid Rain Permit is part of the Part 70 permit, it is administrated in accordance with rules other than the Part 70 rules (i.e., 326 IAC 2-7 for Indiana sources). The provisions of 40 CFR 72.70(b) indicate that Parts 72, 74, 76, and 78 shall take precedence and shall govern the issuance, denial, revision, reopening, renewal, and appeal of the Acid Rain portion of an operating permit when 40 CFR Parts 72, 74, 76, or 78 are inconsistent with the requirements of Part 70. IDEM, OAQ will attempt to synchronize the Acid Rain Permit with the issuance of the Part 70 permit. However, given the time frame between the public comment period and the expected issuance of the Part 70 permit, this may not be possible. The Permittee's Acid Rain Renewal Permit #127-19662-00002 has been drafted and the public notice period ended December 3, 2004.

The NOx Budget Permit is administered differently than the Acid Rain Permit. The NOx Budget Permit is part of the Part 70 Permit; and, pursuant to 326 IAC 10-4-7(g)(1), it is administered and revised in accordance with 326 IAC 2-7. The NOx Budget Permit is subject to renewal, in accordance with 326 IAC 10-4-7(b)(1)(C), when the Part 70 Permit is renewed. Therefore, the NOx Budget Permit term is the same as the Part 70 Permit term.

As a result, the IDEM, OAQ believes that the terms of the NOx Budget Program (326 IAC 10-4) and the Acid Rain permit are sufficiently integrated into the Title V permit - see permit Sections E and F and Appendix B.

This permit will be effective July 1, 2006. The Permittee shall comply with the emission limitations at all times when the emission units are in operation. This Part 70 permit allows the Permittee to implement the required monitoring, record keeping, and reporting requirements within 90 days after the effective date of the permit. IDEM, OAQ believes this is a sufficient time frame for the Permittee to implement permit conditions. Therefore, no change has been made as a result of this comment.

Comment 5:

Condition B.3 Enforceability. The Permittee requested the language of 326 IAC 2-7-7 be more precisely incorporated into the permit. The suggested language is listed as follows:

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.

Response to Comment 5:

The requirements of the federal Part 70 operating permit program, mandated by the Clean Air Act Amendments of 1990, have been in effect in Indiana for major sources since June of 1994. Authorizing state legislation was adopted (IC 13-17-3-11 and IC 13-17-8) and implementing rules were promulgated (326 IAC 2-7 et. seq.) by the Indiana Air Pollution Control Board. The EPA

granted interim approval to IDEM's program in December of 1995 and granted final approval in November 2001. IDEM has the authority to enforce Indiana air pollution control laws under IC 13-14-2-6 or IC 13-30-3 and this authority includes the enforcement of conditions in permits issued by IDEM pursuant to state law. In addition, 326 IAC 2-7-7 makes it clear that the U. S. EPA, in addition to IDEM, can enforce the provisions of the state-issued Title V permit. Therefore, no change has been made as a result of this comment.

Comment 6:

Condition B.4 Termination of Right to Operate. The Permittee requested to specify that the Permittee's right to operate does not automatically terminate, but rather "may" terminate. The Permittee stated that they can still submit an application within nine months, receive an approval and still operate.

Also, the Permittee stated that termination of the Title V permit does not terminate the Acid Rain Permits or NO_x budget permits. The Permittee requested to add the following language to Condition B.4:

"Termination of the Title V permit does not terminate permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 or permits issued under the NO_x Budget Program pursuant to 326 IAC 10."

Response to Comment 6:

The language in Condition B.4 is taken from 326 IAC 2-7-10, which states that a Part 70 permit expiration terminates the source's right to operate unless a timely and complete renewal application has been submitted. It is true that a Permittee may receive a renewal Part 70 permit before the expiration date of the first Part 70 permit even if the renewal is not submitted nine (9) months prior to the expiration date of the first Part 70 permit. However, IDEM, OAQ prefers to have the condition use the same language as the rule.

Both the Acid Rain and NO_x budget permits are valid until the expiration date of these permits. However, Condition B.4 specifies the situation when the right of operation shall be terminated under the Part 70 permit program, not the effectiveness of the permits under the Acid Rain and NO_x budget permits. Hence, the right to operate may be terminated under the Part 70 permit program even though the source has Acid Rain and NO_x budget permits that are still in effect. Therefore, no change has been made as a result of this comment.

Comment 7:

Condition B.7(a) Duty to Provide Information. The Permittee stated that the first line of this Condition indicates a reasonable amount of time will be allowed for the Permittee to furnish to IDEM, OAQ information that IDEM, OAQ requests in writing. The last sentence also indicates that the Permittee is to furnish copies of records to IDEM, OAQ upon request without specifically including the within a reasonable time language afforded in the first sentence concerning information requested. The Permittee requested to include "within a reasonable time" in the last sentence of this condition for clarification.

Response to Comment 7:

Condition B.7(a) was taken directly from the language in 326 IAC 2-7-5(6)(E). The requirements for providing records are provided in Condition C.20 of this permit. Therefore, no change has been made as a result of this comment.

Comment 8:

Condition B.7(b) Duty to Provide Information. The Permittee stated that this condition delineates

confidentiality procedures to follow when submitting requested information to IDEM, OAQ and the U.S. EPA. Because a distinction between IDEM, OAQ and U.S. EPA is made in this condition, they believe all requests for information and records made by U.S. EPA, if not made through IDEM, OAQ, should be afforded the same within a reasonable time provision as allowed for the Permittee's response to IDEM, OAQ requests. The Permittee requested clarification on this matter by insertion of language reflecting this protection for requests for information and records from U.S. EPA.

In addition to Comment 7, the Permittee requested IDEM include language to ensure that any confidential business information provided to IDEM by the source that is subsequently forwarded by IDEM to U.S. EPA is submitted in a way to ensure that the U.S. EPA treats the information as confidential business information. The Permittee requested to add the following language to this condition:

"... IDEM is responsible for properly maintaining the confidentiality of the information that has been furnished by the Permittee or its agent to IDEM. In addition, when IDEM forwards the information to the U.S. EPA, IDEM is responsible for ensuring that the confidential information is submitted in a manner that ensures its confidentiality in transit and upon receipt by the U.S. EPA."

Response to Comment 8:

IDEM, OAQ has no authority to specify the time frame that the Permittee shall submit the records requested by U.S. EPA and has no authority to stipulate U.S. EPA's method of handling confidential information. When information is submitted with a claim of confidentiality, IDEM will evaluate the claim to determine whether it meets the criteria in 326 IAC 17.1. If it is classified as confidential, IDEM will follow the confidentiality procedure to handle this information. A Part 70 permit only includes the terms and conditions for the Permittee. The language related to IDEM's responsibilities and procedures are not included in Title V permits, because the purpose of a Title V permit is to outline the State and Federal requirements with which the source must comply. Therefore, no change has been made as a result of this comment.

Comment 9:

Condition B.10 Preventive Maintenance Plan (PMP). The Permittee requested the reference to 326 IAC 1-6-3 as authority for Condition B.10 be removed. The Permittee stated that this rule is only incorporated in part -- not in its entirety -- into 326 IAC 2-7-5(13) through 326 IAC 2-7-4(c)(9), and does not apply in and of itself to sources operating under Part 70 permits. 326 IAC 1-6-3 provides that it is only applicable to those persons responsible for operating a facility specified under 326 IAC 1-6-1. 326 IAC 1-6-1 specifies that it 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. These provisions apply to construction of new sources built after late 1998 and minor sources, respectively, each of those two rules exempts sources operating under Part 70 permits.

The IEUAWG also commented that there is no statutory basis for this requirement and IDEM is without authority to impose it. Nor is there any rule authorizing imposition of these requirements. The rule calling for PMPs is 326 IAC 1-6, which applies only to facilities required to be permitted under 326 IAC 2-5.1 or 2-6.1. Both of the latter rules exclude from their coverage facilities required to have a Part 70 operating permit. Therefore, neither rule requires that Bailly Generating Station have a permit thereunder, and 326 IAC 1-6 does not require that Bailly units have PMPs. Even if there is authority for this condition, that authority is very limited. The IEUAWG stated that there is no basis anywhere for any of the detailed requirements in Condition D.1.5 - Preventive Maintenance Plan, which imposes numerous monitoring requirements that are neither necessary nor in accord with 326 IAC 2-7-5(3)(A).

The Permittee also requested the baghouse inspection requirement in Condition D.4.10 be removed (see Comment 74).

Comment 10:

Condition B.10(b) Preventive Maintenance Plan. The Permittee stated that IDEM lacks the authority to require record keeping because failure to implement a PMP does not cause or contribute to an exceedance of any limitation on emissions or potential to emit. The Permittee requested this condition be removed.

In addition, the last line of this condition that refers to an exceedance of any limitation on emissions or potential to emit is too vague and could be misconstrued to be alleged to apply to an emission limitation outside this permit. If this condition remains, at a minimum, the language should be clarified to specify that the exceedance only pertains to a limitation contained in this permit.

Response to Comments 9 and 10:

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.1.5, D.2.4, D.3.4, D.4.4, D.4.10, D.5.4, D.6.2, D.7.2, and D.9.2, 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~~The Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after **the effective date** issuance of this permit **for the source as described in 326 IAC 1-6-3. At a minimum, the PMPs shall include:** including the following information on each facility:
...
- (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.~~
- (eb) 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 and the PMPs extension notification does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).~~
- (dc) To the extent the Permittee is required by 40 CFR Part 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.1.5 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:~~

~~D.2.4 — Preventive Maintenance Plan [326 IAC 2-7-5(13)]~~

~~A Preventive Maintenance Plan (PMP), in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities:~~

~~D.3.4 — Preventive Maintenance Plan [326 IAC 1-6-3]~~

~~A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this approval, is required for the Unit 10 combustion turbine:~~

~~D.4.4 — 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.4.10 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 coal crushers. 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.~~

~~D.5.4 — 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.6.2 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 emission control devices.~~

~~D.7.2 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 emission control devices.~~

~~D.9.2 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 their emission control devices.~~

Comment 11:

Condition B.10(c) Preventive Maintenance Plan. The Permittee requested to strike reference to approval and revision by IDEM. The Permittee stated that IDEM does not have the authority to approve or disapprove the PMP. Title V authority originates in 326 IAC 2-7-5(13) and requires that a source,

- (a) Maintain on-site the preventive maintenance plan required under section 4(c)(9) of this rule.
- (b) Implement the preventive maintenance plan.
- (c) Forward to the department upon request the preventive maintenance plan.

The Permittee stated that nowhere in this language is the authority for IDEM to approve a PMP. Note that 326 IAC 2-7-4(c)(9) requires the source to maintain on-site a PMP as described in 326 IAC 1-6-3. 326 IAC 1-6-3 is simply a reference to what needs to be contained in the PMP, but does not allow IDEM added authority under 326 IAC 1-6-3, namely the right to approve because 326 IAC 1-6-3 in and of itself is not applicable to Title V sources. If IDEM wanted approval authority, then the federally enforceable Title V language in 326 IAC 2-7-5(13) should have included an "approval" clause. IDEM is limited by regulation to require a Title V source to maintain, implement and forward a PMP. The Permittee requested Condition B.10(c) be revised as follows:

~~"...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."~~

Response to Comment 11:

The Preventive Maintenance Plan requirement must be included in every applicable Title V permit pursuant to 326 IAC 2-7-5(13). This rule refers back to the Preventive Maintenance Plan requirement as described in 326 IAC 1-6-3. Therefore, the Permittee is required to prepare a PMP which meets the requirements in 326 IAC 1-6-3. Pursuant to 326 IAC 1-6-3(b), PMPs shall be subject to review and approval by IDEM, OAQ. Therefore, no change has been made as a result of this comment.

Comment 12:

Condition B.11(d) Emergency Provisions. This Condition states that this emergency provision supersedes 326 IAC 1-6. The Permittee requested IDEM to clarify whether IDEM is no longer

requiring malfunction reporting under 326 IAC 1-6 in lieu of emergency reporting for this source. If so, clarify that 326 IAC 1-6 is no longer applicable even as a state-only requirement.

Response to Comment 12:

Condition B.11(d) clearly states that an emergency provision supersedes (i.e. makes no longer applicable) 326 IAC 1-6 (Malfunctions). Therefore, malfunction reports are not required for an instance that is covered using emergency reports. Therefore, no change has been made as a result of this comment.

Comment 13:

Condition B.13(b) Prior Permits Superseded. The Permittee requested clarification as to how this condition affects the Acid Rain Permits that are included as an appendix to this permit and incorporated by reference per E.1 and F.2. Will this inclusion in the Title V permit alter the effective dates or expiration dates of the Acid Rain and NOx Budget Permits? The Permittee would prefer synchronization of the permit dates and clear delineation that the Acid Rain and NOx Budget permits stand alone irrespective of the status of the other permits.

Response to Comment 13:

See Response to Comment 4.

Upon further review, IDEM has made the following changes to Condition B.13:

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 T127-6635-00002 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**.
- ~~by this permit.~~
- (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).

Comment 14:

Condition B.14(b) Deviations from Permit Requirements and Conditions. The Permittee stated that most of the parametric monitoring requirements included in the draft permit are not required by regulation, but rather only came into existence as a result of this permit. The Permittee requested to specify that failure to conduct parametric monitoring not required by regulation is not a deviation. Furthermore, it will be virtually impossible to complete 100% of the parametric readings due to such things as adverse weather conditions, operational priority issues (e.g., personnel assigned to a critical compliance response) and timing (e.g., operation starts just before sunset), and in many cases, these emission points emit very little particulate and the potential to emit is less than the limit.

Response to Comment 14:

A Part 70 permit must include monitoring requirements to ensure continuous compliance with the specific emission limits, pursuant to 326 IAC 2-7-5(3). The Permittee is required to demonstrate continuous compliance with the emission limits and failure to comply with the parametric monitoring requirements is a violation of the permit conditions.

For visible emissions notations, the Permittee is only required to perform such monitoring requirements during normal daylight operations. During times of inclement weather or poor sunlight condition, it is permissible to include a description of the type of inclement weather or other condition which prevented viewing the stack. Therefore, no change has been made as a result of this comment.

Comment 15:

Condition B.16 Permit Renewal. The Permittee stated that the permit application content in 326 IAC 2-7-4 is primarily for first time applicants requiring large amounts of source information to be compiled and submitted and primarily needed to draft an initial permit. The Permittee stated that to re-file a complete application containing all of the information required in 326 IAC 2-7-4 for each renewal is excessive and wasteful. Permit renewal requirements should be streamlined to contain only that information, which is needed to renew the permit, such as, a certification that information contained in the current permit is accurate and/or inclusion of a list of any requested changes.

Response to Comment 15:

The permit renewal application must fulfill the requirements of 326 IAC 2-7-4, and Condition B.16 simply states this. IDEM does not believe that the application for renewal is excessive or wasteful as the Permittee may resubmit forms from the original application along with a copy of the initial permit. The specific instructions and forms regarding a Part 70 renewal can be found at <http://www.in.gov/idem/air/permits/apps/title/>. Therefore, no change has been made as a result of this comment.

Comment 16:

Condition B.17 Source Modification. The Permittee stated that the definition set forth in this Condition conflicts with the definition referenced in 326 IAC 2-7-10.5. The Permittee requested this condition include the exclusions and definitions referenced in 326 IAC 2-7-10.5. 326 IAC 2-7-10.5 incorporates the definition of modification from 326 IAC 2-1, 326 IAC 2-3, or 326 IAC 2-4.1, which is not the same as the definition set forth in 326 IAC 1-2-42. The modification definition in 326 IAC 1-2-42 does not include an exclusion for routine maintenance, repair, and replacement.

Response to Comment 16:

326 IAC 2-7-10.5. 326 IAC 2-7-10.5(b) states that "Notwithstanding any other provision of this rule, the owner or operator of a source may repair or replace an emission unit or air pollution control equipment or components thereof without prior approval if the repair or replacement ... is not a major modification under 326 IAC 2-2, 326 IAC 2-3, or 326 IAC 2-4.1." However, 326 IAC 2-7-10.5 does not incorporate the definition of modification from 326 IAC 2-1, 326 IAC 2-3, or 326 IAC 2-4.1, and does not include an exclusion for routine maintenance, repair, and replacement. The definitions in 326 IAC 1 apply except in cases where another rule specially includes an alternative definition. Therefore, no change has been made as a result of this comment.

Comment 17:

Condition B.21 Inspection and Entry. The Permittee requested to specify that the agency personnel must be escorted inside the plant. Certain safety procedures must be followed and day-specific safety conditions may exist (e.g., construction/demolition activity) that the agency personnel may not be aware of. Typically agency personnel have not had the benefit of the morning safety meeting.

In addition, the Permittee stated that all applicable requirements are required to be in the Title V permit and requested to strike the phrase of "or applicable requirements" in Condition B.21(d)(e).

The Permittee stated that there are no compliance methods that utilize or authorize the use of photographic equipment in the Clean Air Act and requested the word "photographic" be removed from Condition B.21.

Based on the above reasons, the Permittee requested to revise Condition B.21 as follows:

B.21 Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2] [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 **with a facility escort** 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~~.

Response to Comment 17:

IDEM intends to follow appropriate safety procedures when entering the source. Language included in the permit as Condition B.21(a) was taken directly from 326 IAC 2-7-6(2). A permit is used to state the requirements that are applicable to the Permittee, not the requirements IDEM must follow. In addition, Photographs are routinely taken to document conditions during an inspection, and are therefore included in 326 IAC 2-7-6(2)(C). The use of cameras or other recording, testing, or monitoring equipment for the purpose of assuring compliance with this permit, if necessary, is a reasonable extension of this documentation. This subsection acknowledges the right of the source to claim such information is confidential.

No change has been made as a result of this comment.

Comment 18:

Condition B.23(b) Annual Fee Payment. The Permittee requested to strike the phrase “revocation of this permit” in Condition B.23(b). The source stated that this phrase does not appear in the regulations for failure to pay fees. The Permittee stated that permit revocation is addressed in Condition B.15.

Response to Comment 18:

The language found in this condition is taken from 326 IAC 2-1.1-7(8). Therefore, no changes have been made as a result of this comment.

Comment 19:

Condition C.2 Opacity. Both the Permittee and the IEUAWG commented that the current particulate technologies cannot prevent all six-minute opacity exceedances no matter how well the control equipment is maintained and operated. The Permittee stated that IDEM has handled this situation by allowing somewhere between two and five percent of the operating time to have opacity exceedances for all reasons before beginning an inquiry that could lead to an enforcement action.

The Permittee believes that IDEM should add a provision to this condition that allows up to 3% of the operating hours to exceed the opacity standard for the facility and still allow the certification of full compliance with the provisions of the permit under this section. Without this language modification, a facility cannot certify full compliance.

In addition, other states and courts have provided such an allowance. For example, the district court in the Eastern District of Tennessee found that Tennessee's 2% allowance was reasonable, as follows:

“Finally, NPCA claims that TDEC's interpretation that COM monitoring, with its 2% de minimis exception, is a more restrictive emission standard is unreasonable and, perhaps, therefore not facially valid. I disagree. I agree with the D.C. Circuit Court of Appeals that changing the method of measuring compliance with an emission limitation can affect the stringency of the limitation itself. See *Appalachian Power Company v. EPA*, 208 F.3d 1015, 1027 (D.C. Cir. 2000); *Portland Cement Association v. Ruckelshaus*, 486 F.2d 375, 396-97 (D.C. Cir. 1973). Obviously, monitoring the smokestack emissions continuously with equipment capable of reliably measuring the opacity will identify many more exceedances than will be identified by an operator “eyeballing” the smokestack emissions once a day, or less. I believe that it was completely reasonable for TDEC to consider the COM monitoring by TVA at its plants to be a more restrictive standard than the Tennessee SIP required and therefore concluding that EPA approval of that more restrictive standard was not necessary.

National Parks Conservation Association Inc. v. Tennessee Valley Authority, 175 F.Supp.2d 1071, 1078 (E.D. Tenn 2002).”

Other states such as Ohio, North Carolina, Kentucky, and Florida also have recognized exemption levels. Failure to include such an allowance provides a competitive disadvantage for the State of Indiana, without justification.

In order to implement this necessary provision, the Permittee recommends IDEM add the following language to Condition C.2 as a new subsection (c):

“(c) For units for which opacity is monitored continuously, any opacity in excess of the applicable limitations contained in this condition will not be considered a violation provided that the total time in excess does not exceed 3% of the total boiler operating

time on a quarterly basis and the primary causes of the exceedances are not due to lack of maintenance or improper operations.”

Response to Comment 19:

326 IAC 5-1 does not allow exemptions from the opacity limit up to three percent (3%) of the boiler operating time; therefore, IDEM cannot simply create such an exemption in the permit when one does not exist in the rule. IDEM will continue to use enforcement discretion. However, the permit will not include the suggested blanket exemption for exceeding the opacity limit up to 3% of the boiler operating time. Therefore, no change has been made as a result of this comment.

Comment 20:

Condition C.6 Motor Vehicle Fugitive Dust Sources. The Permittee stated that the regulation cited applies to mobile sources and not to stationary sources. The Permittee stated that they cannot be responsible for every vehicle that travels on Indiana's roadways. The Permittee requested this condition be removed from the permit because it is not applicable to stationary sources, and not properly included in a Title V permit. If not be removed, the Permittee stated that this condition must be qualified as "not federally enforceable."

Response to Comment 20:

It is clear that the Permittee is not required to be responsible for every vehicle that travels on Indiana's roadways. Pursuant to 326 IAC 2-7-5, IDEM must include all applicable requirements in a Part 70 permit. IDEM has included Condition C.6 because 326 IAC 6-4 is an applicable requirement. Therefore, no change has been made as a result of this comment.

Comment 21:

Condition C.9(a) Performance Testing. The Permittee stated that the language of Conditions C.9(a) and (b) should be reworded to clarify that the testing is performance testing required by this permit and is not applicable to any other testing. The language of Condition C.9(c) should clarify the test reports that must be submitted are only the reports of the performance tests required by the permit. The Permittee suggested the following changes to this condition:

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

- (a) All **performance** testing **required by this permit** 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, P. O. Box 6045
Indianapolis, Indiana ~~46206-6045~~ **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 **performance** test date at least fourteen (14) days prior to the actual **performance** 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 **required to be submitted by this permit** 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.

Response to Comment 21:

The term "performance" does not accurately define all testing that could be required by IDEM. To further clarify this condition, IDEM has revised Condition C.9 as follows:

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

- (a) All **required** 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, P. O. Box 6045
Indianapolis, Indiana 46206-6045 **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).

...

Comment 22:

Condition C.10 Compliance Requirements. The Permittee stated that they realize the language of this requirement is directly from the cited regulation. They suggested the following revisions to this condition to avoid misinterpretation if the second sentence is taken out of context.

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

The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements **of this permit** by issuing an order under 326 IAC 2-1.1-11. Any **compliance** monitoring or **stack testing of an air emissions source regulated by this permit that is conducted pursuant to an order issued under 326 IAC 2-1.1-11** shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA.

Response to Comment 22:

Condition C.10 is a copy of rule 326 IAC 2-1.1-11. IDEM, OAQ prefers that the language in the condition be the same language as in the rule. Therefore, no changes have been made as a result of this comment.

Comment 23:

Condition C.11 Compliance Monitoring. The Permittee requested the removal of the last phrase in Condition C.11. The Permittee stated that monitoring requirements for new units should always be handled in the approval and not through generic language.

The Permittee stated that the requirement to implement compliance monitoring for new emission units does not consider that the monitors need to be tested under operating conditions to verify their performance and provide meaningful results. Meaningful results can only be obtained when the combustion unit is able to achieve stable operation, often well after the initial instance of fuel being combusted in the unit for initial testing. Therefore, the requirement should be modified to reflect this situation and only require monitoring after stable operation of the unit occurs.

The IEUAWG requested that IDEM confirm that the specific following plans and operational/monitoring activities are not required to be developed and implemented until 90 days after issuance of the permit:

- (1) Preventive Maintenance Plan (Conditions B.10, D.1.5, D.2.4, D.3.4, D.4.4, D.5.4, D.6.2, D.7.2, D.9.2);
- (2) Pressure Gauge and Other Instrument Specifications (Condition C.14);
- (3) Compliance Response Plan (Condition C.17);
- (4) Transformer-Rectifier (T-R) Sets (D.1.11);
- (5) Opacity Readings (Condition D.1.12);
- (6) SO₂ Monitor Downtime (Condition D.1.13);
- (7) Visible Emission Notations (Conditions D.4.8, D.5.5, D.6.4, D.7.3);
- (8) Baghouse Parametric Monitoring (Condition D.4.9);
- (9) Baghouse Inspections (Condition D.4.10);
- (10) Broken or Failed Bag Detection (Condition D.4.11);
- (11) Maintenance of Continuous Opacity Monitoring Equipment (Condition C.12); and
- (12) all related recordkeeping and reporting requirements.

Response to Comment 23:

The Permittee may request to revise the parameter ranges specified in the monitoring conditions based on the testing results or actual operation data. However, the Permittee shall implement the monitoring requirements for the new emission units when operation starts to obtain actual operation data. The last paragraph of Condition C.11 emphasizes that the monitoring requirements for the new emission units shall be implemented when operation starts, instead of 90 days after the effective date of this Part 70 permit. Therefore, no change has been made as a result of this comment.

According to Condition B.10 - Preventive Maintenance Plan, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after the effective date of this Part 70 permit. According to Condition C.11 - Compliance Monitoring, unless otherwise specified in the permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of the effective date of this permit. Therefore, the Permittee has 90 days to begin implementation of all the PMP, monitoring, and record keeping requirements contained in this Part 70 permit.

Comment 24:

Condition C.12 Maintenance of Continuous Opacity Monitoring Equipment. The IEUAWG commented that Conditions C.12(a)-(c) require installation and operation of continuous opacity monitors as called for by 326 IAC 3-5 and 2-5-5(3)(A)(1). The rule at 326 IAC 2-7-5(3) calls for imposition of "minimum" monitoring requirements called for by law. The IEUAWG stated that the requirements of 326 IAC 2-7-5(3) are completely satisfied by use of COMs. Nothing in the law calls for redundant monitoring systems or methods. There is no applicable requirement in any statute, rule, or permit calling for Method 9 readings at facilities required to operate COMs. The IEUAWG also objects to the requirements under Conditions C.12(a) and (e) that the COM be operated at all times, including times of malfunction, calibration, maintenance, and repair.

The Permittee requested a clarification in this Condition. The Permittee indicated that the COM is required to be operated at all times in Conditions C.12(a) and (e). However, Condition C.12(d) provides alternate monitoring when the COM is not operating. There are certain instances, such as calibration and unexpected repair in which the COM cannot be operating. Condition C.12(d) seems to address this. Also, the Permittee requested to remove reference to 40 CFR 60.

For Condition C.12(d), the Permittee stated that visible emission notations and Method 9 readings are not possible on a scrubbed stack. The Permittee requested to specify that Condition C.12(d) applies only to the unscrubbed stack. Also, commencement of monitoring should not begin until after 4 hours of COM downtime to assure that personnel can be available, notified and reassigned. The trigger should also be based on when a malfunction was detected.

In order to be consistent with Condition C.12(d)(2)(B), the Permittee requested to specify that Method 9 opacity observations are to be conducted for a minimum of five consecutive six minute averaging periods at least once every four hours during daylight operations.

The Permittee suggested the following changes to Condition C.12:

- C.12 Maintenance of Continuous Opacity Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]
-
- (a) The Permittee shall calibrate, maintain, and operate all necessary continuous opacity monitoring systems (COMS) and related equipment. For a boiler, the COM shall be in operation at all times that the induced draft fan is in operation, **except when the COM is malfunctioning or will be down for calibration, maintenance, or repairs and monitoring is being conducted pursuant to (d).**
- ...
- (d) Whenever a continuous opacity monitor (COM) **for the bypass stack (CS002) is determined to be malfunctioning or will be down for calibration, maintenance, or repairs for a period of ~~one (1)~~ four (4) hours or more**, compliance with the applicable opacity limits shall be demonstrated by the following:
- (1) ...
- (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. **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 during daylight operations, until such time that a COM is in operation.**
- ...
- (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 **except as provided for in (a) and (d)** and 40 CFR 60.

Response to Comment 24:

The visible emission notations required by this condition are to be conducted during periods of COM downtime to assure continuous compliance pursuant to 326 IAC 2-7-5(3). 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.

It is clear that a COM cannot be operated when it is down for calibration, maintenance, or repairs. Condition C.12(d) details the steps to follow when a COM is down. Therefore, IDEM, OAQ believes that it is not necessary to make the suggested revisions to Condition C.12 in order to state that a COM is not required during the period of calibration, maintenance, or repairs.

IDEM, OAQ does not believe that Method 9 readings cannot be performed on a scrubbed stack. Therefore, no change has been made regarding the comment specifying the stack identification number in this condition.

Condition C.12(d)(2)(B) states that 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 during daylight operations. It is redundant to repeat this requirement in Condition C.12(d)(1)(B). Since boilers Unit 7 and Unit 8, which are equipped with COMs, are not subject to any NSPS requirements, the reference of 40 CFR 60 has been removed.

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.12 and D.1.14(a) have been revised as follow:

C.12 Maintenance of Continuous Opacity Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

- (a) The Permittee shall calibrate, maintain, and operate all necessary continuous opacity monitoring systems (COMS) and related equipment. For a boiler, the COMS shall be in operation at all times that the induced draft fan is in operation.
- (b) All ~~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~~ **(COMS)** is malfunctioning or ~~will be~~ **is** down for ~~calibration, maintenance, or repairs for a period of one (1) hour~~ **twenty-four (24) hours** or more, ~~compliance with the applicable opacity limits shall be demonstrated by the following:~~ **and a backup COMS is not online within twenty-four (24) hours of shutdown or malfunction of the primary COMS,**
 - (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, the Permittee shall provide a certified opacity reader(s), who may be **an** employees of the Permittee or independent contractors, to self-monitor the emissions from the emission unit stack.

(A1) 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.

(B2) 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 COMS is in **operation-online**.

(C3) Method 9 readings may be discontinued once a COMS is online.

(D4) 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.~~

(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~~.

D.1.1411 Record Keeping Requirements

(a) To document compliance with Section C - Opacity, Section C - Maintenance of Continuous Opacity Monitoring Equipment, and the particulate matter and opacity requirements in Conditions D.1.2, D.1.3, D.1.64, D.1.97, and D.1.428, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits in Section C - Opacity and Conditions D.1.2 and D.1.3.

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

(2) All continuous opacity monitoring data, pursuant to 326 IAC 3-5-6.

- (3) The results of all ~~visible emission (VE) notations and~~ Method 9 visible emission readings taken during any periods of COMS downtime.
- (4) All ESP parametric monitoring readings.

Comment 25:

Condition C.14 Pressure Gauge and Other Instrument Specifications. The Permittee stated that the accuracy requirement of $\pm 2\%$ is excessive and arbitrary. For example, most baghouse manometers are not this accurate and this level of accuracy is not needed to determine proper baghouse operation. Also this Condition does not conform to federal language. For example, the stack flow monitoring requirements under 40 CFR 75 require an accuracy of $\pm 7.5\%$ for the annual audit and $\pm 10\%$ for the six month audit. In addition, the voltages and current measurements are not compliance determination requirements, and the analog gauges are not capable of $\pm 2\%$ accuracy. It is unknown if such analog gauges even exist.

The Permittee requested to remove Condition C.14. They stated that it is wrought with regulatory and technical problems and has not even been proven as achievable or gone through rulemaking. If this condition is not removed, per Condition C.14(d), the Permittee requested to specify that their current gauges are adequate for measuring compliance.

Response to Comment 25:

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).

The Permittee did not submit information to show that their current gauges for the control devices are in compliance with the requirement in Condition C.14 and did not submit information about the gauge specifications recommended by the manufacturer. Therefore, IDEM, OAQ cannot verify if their current gauges are adequate for determining compliance.

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. 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.14 has been revised as follows:

C.14 ~~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 from the normal range shall be no less than twenty percent (20%) of full scale. and be accurate within plus or minus two percent ($\pm 2\%$) of full scale reading.**
- (b) ~~Whenever a condition in this permit requires the measurement of a voltage, current, 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 ($\pm 2\%$) of full scale reading.~~
- (c) ~~The Preventive Maintenance Plan for the pH meter shall include calibration using known standards. The frequency of calibration shall be adjusted such that the typical error found~~

~~at calibration is less than one pH point.~~

- (db) 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 26:

Condition C.17 Compliance Response Plan. The Permittee and the IEUAWG requested this condition and all references to this condition in the permit be removed. The Permittee and the IEUAWG stated that there is no regulatory authority to require compliance response plans or create violations of the permit for failing to take response in accordance with the compliance response plan. The Permittee stated that IDEM is not authorized to impose a requirement to develop and implement a "compliance response plan." There is no requirement in the Indiana regulations or statutes that require a source to develop a "compliance response plan." In fact that term does not appear and is not defined anywhere in state or federal regulations.

The IEUAWG stated that "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... [Title V authority cannot modify existing applicable requirements." 67 Fed. Reg. 34,844, 34,847 (May 16, 2002)).

The IEUAWG stated that it is also important to note that IDEM is not authorized to create requirements out of whole cloth. As agencies 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).

The IEUAWG stated that 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). For these reasons, the IEUAWG stated that Condition C.17 should be deleted, along with every other reference to "compliance response plans."

The Permittee also requested to remove reference to compliance response plans and the reference to an associated violation for not taking response steps in accordance to the compliance response plan throughout the permit. The Permittee stated that such condition must be labeled as not federally enforceable if it is not removed.

Response to Comment 26:

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.17:

C.17 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 (GRP) 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 GRP for those compliance monitoring conditions. A GRP shall be submitted to IDEM, OAQ upon request. The GRP 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:~~
- ~~(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 "normal" 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 27:

Condition C.18 Actions Related to Noncompliance Demonstrated by a Stack Test. The Permittee requested the following changes to Condition C.18(a) as shown below for clarification that the limit is pollutant and stack specific. Clarification should be provided that indicates response actions are for the purpose of minimization of the excess emission of the tested air pollutant relative to the specific limitation contained in the permit condition for which the compliance stack test was performed.

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

- (a) When the **pollutant-specific** results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the **emission level of the pollutant allowed by the specific** ~~specified in any~~ condition of this permit **for which the stack emission test is being performed to determine compliance with**, 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.

...

In addition, the Permittee stated that IDEM should add a provision to allow for alternate mutually agreeable alternatives that comply with the law. The IEUAWG also commented that IDEM should modify this condition to allow themselves and the permit holder more flexibility in the event a stack test is failed. As currently written, this condition specifies certain actions that must be taken when noncompliance is demonstrated by a stack test. In reality, negotiations to resolve the issue generally occur on the spot between the representatives of the source and IDEM. The specific corrective measures are often subsequently developed during consultation with IDEM depending on the specific circumstances. The specific procedures set out in Condition C.18 interfere with the ability of IDEM and the permit holder to develop timely or subsequent constructive alternatives and these requirements inhibit flexibility. In order to restore the current flexibility IDEM and the source have when this occurs, both the Permittee and the IEUAWG commented that Condition C.18 should be modified by adding a new subsection (c) as indicated below and relettering the remaining subsections.

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

- ...
- (c) **The Permittee is not required to follow the specific procedures set out in (a) and (b) above if it and IDEM, OAQ agree to a different schedule of activities to address any noncompliant situation. IDEM, OAQ may agree to any such alternative procedures proposed by the Permittee so long as they are reasonable and consistent with applicable law.**
- (ed) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

Response to Comment 27:

For Condition C.18(a), IDEM, OAQ agrees to revise the condition to clarify that the response is pollutant and stack specific. However, the Permittee shall take appropriate response actions whenever the stack test results show an exceedance of any emission limit specified in the permit, even if it is not the condition for which the compliance stack test was performed.

IDEM has determined that it is not necessary to modify this condition by adding the suggested language as Condition C.18(c). The condition as currently written provides flexibility for IDEM, OAQ and the Permittee to establish a different schedule of activities if appropriate. For example, Condition C.18(b) already states that should the Permittee demonstrate to IDEM, OAQ that retesting in 120 days is not practicable, IDEM, OAQ may extend the retesting deadline.

Condition C.18(a) has been revised as follows as a result of this comment:

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

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall 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, **for the pollutant for which the test was performed**, while the response actions are being implemented.

...

Comment 28:

Condition C.19 Emission Statement. The Permittee stated that final rule changes are pending for 326 IAC 2-6 and will most likely be final and effective prior to issuance of this permit. The Permittee requested the following changes to reflect the new rule language:

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

- (a) The Permittee shall submit an annual emission statement certified pursuant to the requirements of 326 IAC 2-6, that must be received by ~~April 15~~ **July 1** of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The annual emission statement shall meet the following requirements:

...

- (b) The annual emission statement covers the twelve (12) consecutive month time period starting ~~December~~ **January 1** and ending ~~November~~ **December 31** ~~30~~. The annual emission statement must be submitted to:

...

Response to Comment 28:

Pursuant to the current 326 IAC 2-6-3, effective March 27, 2004, the Permittee shall submit an emission statement annually by July 1 of each year because the potential to emit SO₂ and NO_x from this source is greater than 2,500 tons/yr. Therefore, Condition C.19 has been revised as follows:

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

(a) ~~The Permittee shall submit an annual emission statement certified pursuant to the requirements of 326 IAC 2-6, that must be received by April 15 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4.~~ **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 annual 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 ~~criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting)~~ **all pollutants listed in 326 IAC 2-6-4(a);**
- (2) Indicate estimated actual emissions of regulated pollutants as defined by 326 IAC 2-7-1(32) ("Regulated pollutant which is used only for purposes of Section 19 of this rule") from the source, for purposes of Part 70 fee assessment.

~~(b) The annual emission statement covers the twelve (12) consecutive month time period starting December 1 and ending November 30. The annual emission statement must be submitted to:~~

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6045
Indianapolis, Indiana ~~46206-6045~~ **46204-2251**

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

(eb) The ~~annual~~ 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.

Comment 29:

Condition C.20 General Record Keeping Requirements. The Permittee stated that the last sentence of this condition provides a reasonable time for the Permittee to furnish the requested information to the Commissioner. The Permittee requested this same reasonable time period to respond to U.S. EPA requests for records. In order to have the full 90 days to implement the record keeping requirements, the following changes to Condition C.20 were suggested by the Permittee:

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

(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 **or U.S. EPA** makes a request for records to

the Permittee, the Permittee shall furnish the records to ~~the Commissioner~~ **requesting authority (the commissioner or U.S. EPA)** 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~~ **receipt of this permit.**

Response to Comment 29:

IDEM, OAQ has no authority to specify the time frame that the Permittee shall submit the records requested by U.S. EPA. IDEM, OAQ believes that within 90 days after the effective date is a reasonable time frame for the Permittee to implement all the record keeping requirements contained in this Part 70 permit. Therefore, no change has been made as a result of this comment.

Comment 30:

Condition C.21 General Reporting Requirements. The Permittee requested including language to state that facsimile or email are timely if the facsimile time stamp or email send date is dated on or before the date it is due.

The Permittee also stated that the requirement for the first report to cover the period commencing with the date of issuance of the permit is unduly burdensome. The date of receipt of the permit will not coincide with the date the Permittee receives the permit and becomes fully aware of the permit's final requirements. The Permittee requested the triggering requirement be changed to the date the Permittee receives the permit or a reasonable period after the permit is issued.

The Permittee suggested the following changes to Condition C.21:

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

...

- (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, **or if the date of the facsimile time stamp or email send date**, 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.

...

- (e) The first report shall cover the period commencing on the date of ~~issuance~~ **receipt** 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, "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

Response to Comment 30:

The last sentence of Condition C.21(c) states that documents submitted by any other means (which include facsimile and e-mail) shall be considered timely if they are received on or before the due date. IDEM believes that it is not necessary to modify Condition C.21(c) by adding the suggested language.

The Permittee is allowed 90 days after the effective date to implement all the monitoring and record keeping requirements in this Part 70 Permit. Therefore, the Permittee may not have the required records for the initial time period. Condition C.21(e) only specifies the time period that the first report shall cover and does not mean to require the Permittee to have sufficient records for

this time period. In order to be consistent with other Part 70 permits, no change has been made as a result of this comment.

Comment 31:

Condition C.22(d) Compliance with 40 CFR 82 and 326 IAC 22-1. The Permittee stated that this is a requirement primarily applicable to the manufacturer of these substances and is not under the control of the source. The Permittee requested this condition be removed.

Response to Comment 31:

The U.S. EPA requests this condition be included in every Part 70 permit. 40 CFR 82 regulates the handling of ozone-depleting substances, such as Freon, in a variety of processes and products including domestic and commercial refrigeration and air-conditioning units and portable fire extinguishers. Most sources include one or more subject units. Maintenance or repair of such units has the potential to release substances controlled under these rules. Since the Permittee selects manufacturers to purchase the affected products, the Permittee should ensure that all products purchased for use at this source comply with the requirements of 40 CFR 82, Subpart E. Therefore, no change has been made as a result of this comment.

Comment 32:

Condition C.23 Ambient Monitoring. The Permittee stated that this is worded in a manner that could be misinterpreted to require adherence to a monitoring plan that has been subsequently modified or made obsolete due to separate approvals from IDEM to modify the monitoring network. The Permittee requested IDEM acknowledge that IDEM approved modifications to a monitoring network be recognized as meeting the listed conditions.

Response to Comment 32:

Condition C.23 was taken from 326 IAC 7-3-2(a) directly. IDEM, OAQ prefers to have the condition match the rule language. Therefore, no change has been made as a result of this comment.

Comment 33:

Condition D.1.1 Sulfur Dioxide (SO₂). The Permittee requested to specify that the SO₂ emissions limits are based on a 30-day rolling weighted average pursuant to 326 IAC 7 and PC(64)1816.

Response to Comment 33:

Pursuant to 327 IAC 7-2-1(e)(1) and PC (64) 1816, issued on March 1, 1990, compliance with SO₂ emission limits for boilers Unit 7 and Unit 8 is determined using a thirty (30) day rolling weighted SO₂ averaged emission rate because these coal fired boilers have maximum heat input capacities greater than 1,500 MMBtu/hr . For clarification purposes, Condition D.1.1 has been revised as follows:

D.1.1 Sulfur Dioxide (SO₂) [326 IAC 7-4-14]

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the sulfur dioxide (SO₂) emissions from the flue gas desulfurization system stack shall be limited to 1.2 pound per million Btu's of energy input **based on a thirty (30) day rolling weighted average.**
- (b) Pursuant to 326 IAC 7-4-14(2)(A) (Porter County Sulfur Dioxide Emission Limitations), the SO₂ emissions from Unit 7 and Unit 8 shall not exceed 6.0 pounds per million Btu's (lbs/MMBtu) **based on a thirty (30) day rolling weighted average** when the FGD system is not in use.

Comment 34:

Condition D.1.3 Temporary Alternate Opacity Limitations. The Permittee stated that IDEM has re-iterated on numerous occasions that the alternate limitation periods (e.g., one hour or ten six-minute averaging periods) are cumulative not consecutive. The Permittee requested to specify this or clarify in the Technical Support Document that the limitation periods are cumulative.

In addition, the Permittee stated that it should be specified that the flue gas temperature for this source is measured at the precipitator outlet.

Response to Comment 34:

Condition D.1.3(a) states that opacity may exceed the 40% limitation for a period not to exceed a total of one hour (ten (10) six (6)-minute averaging periods). This one hour limit is based on cumulative 6-minute average periods, not consecutive. However, the flue gas temperature referred to in Condition D.1.3(a)(1) is the temperature measured at the inlet of the electrostatic precipitator, pursuant to 326 IAC 5-1-3(e)(2)(A)(i). For clarification purposes, Conditions D.1.3 and D.2.3 have been revised as follows:

D.1.3 Startup, Shutdown and Other Opacity Limits ~~Temporary Alternative Opacity Limitations~~ [326 IAC 5-1-3]

- (a) Pursuant to 326 IAC 5-1-3(e) (Temporary Alternative Opacity Limitations), the following applies **to both Units 7 and 8:**
- (1) When building a new fire in a boiler, opacity may exceed the ~~40% opacity~~ **applicable** limitation **established in 326 IAC 5-1-2** for a period not to exceed a **cumulative** total of one (1) hour (ten (10) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred fifty (250) degrees Fahrenheit **at the inlet of the electrostatic precipitator**, whichever occurs first.
 - (2) When shutting down a boiler, opacity may exceed the ~~40% opacity~~ **applicable** limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of one (1) hour (ten (10) six (6)-minute averaging periods) during the shutdown period.
 - (3) Operation of the electrostatic precipitator is not required during these times ~~unless necessary to comply with these limits.~~

...

D.2.3 Startup, Shutdown and Other Opacity Limits ~~Temporary Alternative Opacity Limitations~~ [326 IAC 5-1-3]

...

Comment 35:

Condition D.1.4 Operation Standards. The Permittee stated that the regulations cited are not applicable requirements from the Clean Air Act and should not be included in a Title V permit. In some situations the rules cited may be applicable, depending entirely upon the generating unit's operation. If IDEM wants to provide a reminder to owner/operators of other rules that may apply to operations, then it should be included in the Technical Support Document. The Permittee stated that it is not appropriate to include these rules in the Title V permit.

If not deleted, the Permittee requested to modify Condition D.1.4 as shown below in order to assure that the conditions cited in this section accurately reflect the underlying requirements and do not expand the meaning. In addition, the Permittee stated that the regulations governing the utilization of used oil are codified at 40 CFR 279 and 329 IAC 13 and it is not necessary to include

those requirements in this section.

D.1.4 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]

...

- (b) The burning of hazardous waste, as ~~defined~~ **regulated** by 40 CFR 261, is prohibited in this facility. 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.

...

Response to Comment 35:

Upon further review, IDEM has determined that Conditions D.1.4 and D.1.10 do not need to be included in the permit, since they are each regulated by other agencies. Therefore, Conditions D.1.4 and D.1.10 have been removed from the permit:

~~D.1.4 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 this facility. 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.~~

- ~~(c) Used oil generated onsite may be combusted as supplemental fuel for energy recovery in compliance with 40 CFR Part 279 (Standards for the management of used oil) and 329 IAC 13 (Used Oil Management).~~

- ~~(d) 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.1.10 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.~~

Comment 36:

Condition D.1.5 Preventive Maintenance Plan. The Permittee stated that it is the responsibility of person responsible for operating a facility, not the regulatory agency, to develop the PMP and the timeframes associated with preventive maintenance, according to 326 IAC 1-6-3.

The Permittee stated that IDEM cannot dictate maintenance, operational or inspection requirements that are not within the regulatory scope of its authority. The IEUAWG also commented that there is no direct statutory or regulatory authority, state or federal, for the preventive maintenance plan requirement. The preventive maintenance plan 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. So, § 2-5.1 does not apply to these units. 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), "[except for sources required to have a Part 70 permit as described in 326 IAC 2-7-2...." 326 IAC 2-6.1-2. Thus, § 2-6.1 does not apply to these units either, and so there is no basis for mentioning PMPs in the Part 70 permit for Bailly Generating Station.

The IEUAWG commented that it has never been the intent or the practice for the preventive maintenance requirements to apply to emission units. The IEUAWG stated that the rule was intended to apply only to control devices and the first section of 326 IAC 1-6-3 refers explicitly to "emission control devices."

In addition, the Permittee commented that 326 IAC 2-7-5(13) requires that a source,

- (a) Maintain on-site the preventive maintenance plan required under section 4(c)(9) of this rule.
- (b) Implement the preventive maintenance plan.
- (c) Forward to the department upon request the preventive maintenance plan.

326 IAC 2-7-4(c)(9) requires the source to maintain on-site a PMP as described in 326 IAC 1-6-3. The Permittee stated that 326 IAC 1-6-3 does not provide IDEM with the authority to dictate maintenance, operational, or inspection requirements, it only sets forth what type of information must be contained in the PMP. The IEUAWG commented that it is not within IDEM's authority 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 responsibility of the Permittee or operator of the source, not the regulatory agency, to develop any appropriate plans. The IEUAWG objects to the permit's prescriptive requirements such as timeframes 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 their authority.

The Permittee and IEUAWG requested that Condition D.1.5(b) be removed Condition D.1.5(a) be revised to apply to the emission control devices only.

Comment 37:

Condition D.1.5(b) Preventive Maintenance Plan. If this condition remains, the Permittee requested to replace "including but not limited to" with "for example" in each of the inspections. The Permittee stated that some of these areas may not exist or it may not be practical or effective to inspect.

The Permittee stated that if Condition D.1.5(b)(2) remains, performing these every time there is an outage lasting more than three days is excessive and not possible at times. The Permittee stated that IDEM created new requirements in the Title V permit without authority, and created new requirements that the source cannot comply with is arbitrary and capricious. The Permittee stated that if these requirements are not removed, all listed activities should not be required to be performed any more frequently than every two years in order to be in conformance with the normal outage schedule. The Permittee stated that the inspection schedule must be one based upon their ability to comply with.

The Permittee also requested the recommended methods in Condition D.1.5(b)(3) be removed because this conditions serves no purpose in the permit other than informational. If IDEM feels compelled to provide advice to the Permittee, it should be included in the Technical Support Document and not in the permit. The Permittee suggested Condition D.1.5(b)(3) be revised as follows:

D.1.5 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

...

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

...

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

Response to Comments 36 and 37:

This condition has been removed in the response to Comments 9 and 10.

Comment 38:

Condition D.1.6 Testing Requirements. The Permittee requested to specify that testing is to be conducted using U.S. EPA Method 5b or 17, pursuant to PC (64) 1816 (condition 8).

Response to Comment 38:

The performance testing methods will be determined during the review of the performance testing protocol and the best available method shall be used. Therefore, the specific testing methods will not be included in this Part 70 permit. No change has been made a result of this comment.

Comment 39:

Condition D.1.7 Operation of Electrostatic Precipitator. The Permittee stated that IDEM does not have the authority to require ESP operation and requested this condition be removed.

The IEUAWG commented that Condition D.1.7 requires the electrostatic precipitators to be operated at all times when the controlled processes are in operation and this conflicts with the regulations that allow continued operation even when the emission control equipment is not operating. Such situations include start-ups, shut-downs, emergencies, malfunctions, and situations where a unit can comply with the underlying regulations without operation of the control equipment. In addition, these requirements may cause a violation of other employee safety regulations during some operating regimens.

The IEUAWG commented that there is no regulation or statute that requires continuous operation of the electrostatic precipitator if they are not needed to satisfy an emission limit. The legal requirement is to comply with the emission limit, and it is up to the source to choose the methods or achieving that compliance. The IEUAWG believes these conditions should be revised to allow non-operation of the control equipment when the limits are met, as would currently be the case. The IEUAWG proposed the following changes to Condition D.1.7:

D.1.7 Operation of Electrostatic Precipitator [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, the electrostatic precipitator (ESP) for a unit shall be operated **as needed to maintain compliance with applicable emission limits at all times that coal is being combusted in that unit.**

Response to Comment 39:

The phrase "except as otherwise provided by statute or rule or in this permit" in Condition D.1.7 already provides regulatory exclusions such as periods of startup, shutdown, or emergency. The applicable requirements regarding the ESP operation during startups, shutdowns, and emergencies are provided elsewhere in the permit. Therefore, Condition D.1.7 does not conflict with the emergency provisions and other conditions in the permit that address startup and shutdown.

Pursuant to 326 IAC 2-7-6(6), IDEM must include the necessary requirements in a Part 70 permit to demonstrate compliance with the emission limits. Boiler Unit 14 is not equipped with continuous emission monitoring systems to measure particulate matter mass emissions, and the only demonstrations of compliance with the particulate matter emission limitations are stack tests, all of which were performed while the ESP was in operation. There is no information to demonstrate

that compliance with the particulate matter mass emission limitations can be achieved without the use of the ESP. Therefore, no change has been made as a result of this comment.

Comment 40:

Condition D.1.8 Scrubber Operation. The Permittee stated that this condition is redundant with the compliance requirements in Conditions D.1.1 (SO₂ emission limits) and D.1.9 (SO₂ CEM requirements). The Permittee requested this condition be removed.

Response to Comment 40:

Condition D.1.8 states that the Permittee shall operate the scrubber as needed to comply with the SO₂ emission limits. IDEM, OAQ believes the use of scrubbers are necessary to ensure compliance with the SO₂ emission limits of boilers Unit 7 and Unit 8. Therefore, no change has been made as a result of this comment.

Comment 41:

Condition D.1.9 Continuous Emissions Monitoring. The Permittee requested all the reference to 40 CFR 60, Subpart D be removed because the boilers Unit 7 and Unit 8 are not subject to any NSPS. The Permittee also requested to the reference to opacity be removed since the opacity requirements are handled in Condition C.12.

Comment 42:

Condition D.1.9(b) Continuous Emissions Monitoring. The Permittee suggested to revise Condition D.1.9(b) as below to specify that the bypass stack COM is located in the stack:

D.1.9 Continuous Emissions Monitoring [326 IAC 3-5] [326 IAC 12] [40 CFR 60, Subpart D]
[326 IAC 7-2]

...

- (b) Pursuant to PC (64) 1816, the opacity monitors shall be located in the individual unit ducts downstream of the ESP's but upstream of the FGD system combined flow duct **for the scrubbed flue gas exhausting through Stack CS001 and in the stack for the flue gas exhausted through Stack CS002** in a locations that meets the EPA CEM location guidelines. Data from these continuous opacity monitors shall not be combined but **rather shall be** recorded and reported separately.

...

Response to Comments 41 and 42:

Boilers Unit 7 and Unit 8 are not subject to the NSPS requirements because they were constructed before August 17, 1971. Therefore, all the references to 40 CFR 60 in Condition D.1.9 have been removed. However, the requirements related to the opacity monitors were established in PC (64) 1816, issued on March 15, 1990, and should be carried through to this permit. For clarification purposes, Condition D.1.9 has been revised as follows as a result of these comments:

D.1.79 Continuous Emissions Monitoring [326 IAC 3-5] ~~[326 IAC 12]~~ ~~[40 CFR 60, Subpart D]~~
~~[326 IAC 7-2]~~

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and PC (64) 1816, issued March 15, 1990, continuous emission monitoring systems for Units 7 and 8 shall be calibrated, maintained, and operated for measuring opacity, SO₂ after the scrubber, NO_x, and either CO₂ or O₂ after the scrubber, which meet the performance specifications of 326 IAC 3-5-2 ~~and 40 CFR 60.45.~~

- (b) Pursuant to PC (64) 1816, the opacity monitors shall be located in the individual unit ducts

downstream of the ESP's but upstream of the FGD system combined flow duct **for the scrubbed flue gas exhausting through Stack CS001 and in the stack for the flue gas exhausted through Stack CS002** in a locations that meets the EPA CEM location guidelines. Data from these continuous opacity monitors shall not be combined but **rather shall be** recorded and reported separately.

...

- (g) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring system pursuant to 326 IAC 3-5, 326 IAC 10-4, ~~40 CFR 60,~~ or 40 CFR 75.

Comment 43:

Condition D.1.11 Transformer-Rectifier (T-R) Sets. The Permittee stated that this and other parametric monitoring requirements are not required under the applicable requirements of the Title V permit program. The Permittee stated that IDEM does not have the authority to include this and the other parametric monitoring conditions. In addition, failure to perform parametric monitoring is not a deviation or required to trigger compliance response.

The Permittee stated that IDEM lacks the authority to require the monitoring of the T-R sets so as to provide a means to monitor particulate emissions. To impose additional monitoring requirements when periodic monitoring sufficient to yield reliable data are in place is illegal, because it is arbitrary and capricious and an unlawful assumption of authority by IDEM. Additional monitoring can only be required through rulemaking because 326 IAC 2-7-6(1) and 326 IAC 2-7-5(3), the authorities cited by IDEM for this permit condition, do not establish a separate regulatory basis for requiring or authorizing review and enhancement of existing monitoring, or authorize or require new and independent monitoring.

This argument is buttressed by U.S. EPA's recent rulemaking entitled "Revisions to Clarify the Scope of Certain Monitoring Requirements for Federal and State Operating Permits Programs," which appears at 69 Fed. Reg. 3202 et seq. (Jan. 22, 2004). In that rulemaking, U.S. EPA clarified the "periodic monitoring" rule at 40 CFR § 70.6(a)(3)(i)(B) and the "umbrella monitoring" rule at 40 CFR 70.6(c)(1). The Indiana counterparts are basically identical and are at 326 IAC §§ 2-7-5(3)(A)(ii) and 2-7-6(1), respectively, and are cited as the authority for the objected-to monitoring requirements. U.S. EPA's recent rulemaking said that "the effect of today's action will be that the umbrella monitoring rules neither require nor authorize permitting authorities to create new monitoring in operating permits, apart from including in permits such monitoring as may be required under the periodic monitoring rules and under applicable requirements, including the CAM rule where it applies."

Furthermore, by requiring parametric monitoring, IDEM is in effect changing the applicable emissions limitations, albeit not a deviation, by compelling the source to respond to a situation that is not non-compliance. The Permittee stated that IDEM cannot legally do this without complying with the rulemaking procedures.

The Permittee stated that the imposition of this and other additional monitoring requirements is also contrary to the intent of the Title V program. Title V is not to "impose substantive new requirements" according to 40 CFR 70.1(b). The Permittee feels that IDEM has added "substantive" parametric monitoring requirements because these requirements impose duties and obligations on those regulated.

The IEUAWG also commented that this provision exceeds IDEM's cited authorities and should be deleted. Presumably, IDEM relies on 326 IAC 2-7-5(3) for imposing these additional monitoring and parametric requirements. However, the Indiana Air Pollution Control Board could not have lawfully delegated that authority to IDEM. The Board's rulemaking authority can be exercised only with observance of elaborate procedural and substantive safeguards. See, e.g., Ind. Code §§ 13-14-8-4 and 13-14-9; *Indiana Environmental Management Bd. v. Indiana-Kentucky Electric Corporation*, 393 N.E.2d 213 (Ind. Ct. App. 1979). The legislature surely did not expressly provide

for monitoring requirements to be promulgated by the boards according to such rigorous rulemaking procedures, while allowing IDEM to impose different monitoring requirements on an *ad hoc*, case-by-case basis. On this basis, Ind. Code § 13-14-1-3 and 326 IAC 2-7-5(3)(A) should be read as requiring that IDEM impose in permits and enforcement orders only those monitoring requirements that the Air Pollution Control Board has promulgated by rule. The statutes cannot be read as authorizing the Air Pollution Control Board to delegate to IDEM authority to make up monitoring requirements on an *ad hoc* basis. After all, even the Board could not do that.

The IEUAWG stated that this same argument applies to IDEM's various other "parametric monitoring" schemes. An agency has only the powers granted by statute, and all doubtful claims to power must be resolved against the agency. *Charles A. Beard Classroom Teachers Ass'n v. Bd. of School Trustees*, 668 N.E.2d 1222, 1224 (Ind. 1996); *Indiana State Bd. of Embalmers v. Kaufman*, 463 N.E.2d 513, 521-22 (Ind. Ct. App. 1984).

In addition, in reviewing the requirements of this provision, the IEUAWG stated that they cannot see where the stated requirements will serve to assure compliance with either the mass or the opacity limits contained in the permit. THE IEUAWG stated that their experience with particulate control devices indicates that these relationships are highly site and fuel specific. Using a "one size fits all" approach in Title V permits result in taking operational flexibility away from the source and does not serve to further compliance with the permits. For these reasons, IEUAWG encourages IDEM to remove this condition of the permit

Comment 44:

Condition D.1.11 Transformer-Rectifier (T-R) Sets. The Permittee stated that IDEM does not have authority to impose this condition. The Permittee stated that Condition D.1.11(a) should be removed because reading the primary and secondary voltages and currents of the T-R sets is unwarranted, is not a compliance measure, and serves no purpose in this permit.

Also, the Permittee stated that Condition D.1.11(b) should be removed because the trigger for compliance response steps in accordance with the Compliance Response Plan is arbitrary. The Permittee stated that IDEM has drafted other Title V permits with triggers as low as 75%. In addition, Permittee stated that IDEM has struck the ability to test and demonstrate that other percentages are acceptable.

Response to Comments 43 and 44:

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.

This condition requires the Permittee to take response steps when the percentage of T-R sets in service falls below 90%. During normal operations, the percentage of T-R sets in service is greater than 90%. Since the stack testing demonstrated compliance with the PM emission and opacity limits, it is appropriate for the Permittee to take response steps when the observed percentage of T-R sets in service is less than 90%. Failure to take response steps will be considered a deviation from the permit.

The Permittee does not have any OAQ-approved stack tests that demonstrate that compliance can be achieved when only 75% of the T-R sets are in service. Therefore, IDEM does not agree to change the condition to allow only 75% of the T-R sets to be in service.

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, Condition D.1.11 has been revised as follows:

D.1.118 Transformer-Rectifier (T-R) Sets [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) The ability of the ESP to control particulate emissions shall be monitored once per ~~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 45:

Condition D.1.12 Opacity Readings. The Permittee stated that this parametric monitoring condition should be removed for the reasons set forth in Comment 46. The Permittee stated that the failure to perform response steps should not be a deviation or trigger compliance response.

Furthermore, the Permittee and the IEUAWG believe that IDEM has greatly exceeded their statutory and regulatory authority in this provision in attempting to set a "trigger" below the applicable limit. The only proper way to take this action is through notice and comment rulemaking where full technical justification is made available to the regulated community and other interested parties to review. This condition sets opacity triggers below the forty percent limit established by regulation and requires activities to be conducted based on that trigger essentially changing the limit without any basis in law.

The IEUAWG believes this essentially changes the limit promulgated in the Board's rule without any basis in law and without the safeguards attendant to the rulemaking procedures required by statute. It also conflicts with the regulatory provision allowing up to sixty percent opacity for a certain period of time without causing a violation of the opacity regulations. The IEUAWG requested that IDEM must remove this requirement and restructure this section to conform to the properly promulgated opacity regulations. The IEUAWG stated that the cited sections do not give IDEM the authority to ignore existing state laws and regulations.

Response to Comment 45:

The Permittee is required pursuant to 326 IAC 3-5 to operate continuous opacity monitors (COM) to measure opacity from the boilers. Pursuant to 326 IAC 5-1, the boilers are subject to a 40% opacity limit. Pursuant to 326 IAC 2-2, the boilers are also subject to particulate matter emission rates. The particulate matter emission limits and the opacity limits were established completely independently of one another. Therefore, compliance with a 40% opacity limit does not indicate compliance with the applicable particulate matter emissions limit.

During normal operations opacity from the boilers is significantly less than twenty-five percent, as evidenced by the results of IDEM approved stack testing. Since the stack testing demonstrated compliance with the PM emissions 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.

Condition D.1.12 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. An opacity reading

that is in compliance with 326 IAC 5-1, but above the level of normal operating conditions and requires a response step is not considered a violation. It is only a violation 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).

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.1.12 has been revised as follows:

D.1.129 Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) In the event of emissions exceeding thirty **percent** (30%) average opacity for three (3) consecutive six (6) minute averaging periods, appropriate response steps shall be taken in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records and Reports~~ **Response to Excursions or Exceedances** such that the cause(s) of the excursion are identified and corrected and opacity levels are brought back below thirty percent (30%). Examples of expected response steps include, but are not limited to, boiler loads being reduced, adjustment of flue gas conditioning rate, and ESP T-R sets being turned 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 with the applicable particulate matter mass emission limits.**

Comment 46:

Condition D.1.13 SO₂ Monitoring System Downtime. The Permittee stated that this condition should be removed because the regulations do not require this level of record keeping or for the source "to demonstrate" that continued operations are "typical." The acid rain program data substitution requirements are sufficient to yield reliable data.

The Permittee requested to specify that downtime monitoring should occur when the monitor is down for one hour or more if this condition is not removed. If the monitor goes down for just a few minutes, the parameters should not have to be monitored. The Permittee indicated that the SO₂ emission limit is a 30-day rolling weighted average, not a short-term limit. The Permittee stated that this condition should also be clear that the primary and backup CEM must be down and coal is fired prior to parametric monitoring. In addition, the Permittee requested to specify that monitoring is triggered when the malfunction was detected. Unless the malfunction is seen occurring, it is impossible to begin monitoring until the malfunction is determined. Also, the Permittee feels that the once per shift parametric monitoring frequency for the FGD system is adequate for a 30-day average limit.

Also, per discussions with IDEM personnel, specify that grab sampling is acceptable for this application. Grab sampling of coal prior to the bunkers should be acceptable as long as the samples are representative of coal being combusted. Pursuant to 326 IAC 3-7-3(a)(2), the Permittee requested written confirmation in the Title V permit of IDEM's verbal approval to use grab sampling.

The IEUAWG also commented that for the reasons set forth in comments 26, 28, and 38, they believe the requirements in this condition are unauthorized. The acid rain program data substitution requirements are sufficient, along with the averaging period for the SO₂ emission limit. The IEUAWG requested the requirements in Condition D.1.13 be replaced with the following

requirements:

"The Permittee shall comply with 40 CFR Part 75, Appendix D, in connection with any downtime for its SO₂ monitor."

Response to Comment 46:

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 Permittee must follow the steps specified in Condition D.1.13 when the SO₂ CEMS are down. Condition D.1.13 was established under the authority granted by 326 IAC 2-7-5(3)(A)(iii) which states that IDEM, OAQ may require conditions for monitoring equipment.

IDEM has determined that for SO₂ emissions, which are prone to variability based on coal sulfur values, the Part 75 data substitution procedures may not be as representative as coal sampling and analysis 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 SO₂ CEMS are down, the Permittee will not be required to perform any additional monitoring until the CEMS have 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 or fuel sampling in order to demonstrate compliance with the applicable SO₂ emission limits. Therefore, Condition D.1.13 has been revised as follows:

D.1.1310 SO₂ Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

- (a) Whenever **both the primary and back-up** SO₂ continuous emission monitoring systems **is are** malfunctioning or down for repairs or adjustments for **twenty-four (24) hours or more**, and the FGD system is in use, the Permittee shall monitor and record the feed rate to the absorber, pressure drop across the absorber, absorber pH, slurry density, percent (%) solids in slurry, and carbonate concentration in micromoles per liter, to demonstrate that the operation of the scrubber continues in a manner typical for the boiler load and sulfur content of the coal fired. Scrubber parametric monitoring readings shall be recorded at least ~~one (1) time~~ **twice per hour day** until the primary CEMS or a backup CEMS is brought online.
- (b) Whenever **both the primary and backup** SO₂ continuous emission monitoring (CEM) systems are malfunctioning or down for repairs or adjustments **for twenty-four (24) hour or more**, and the FGD system is not in use, the following shall be used to provide information related to SO₂ emissions:
- (1) ~~If the CEM system is down for less than eight (8) hours, the Permittee shall substitute an average of the quality-assured data from the hour immediately before and the hour immediately after the missing data period for each hour of missing data.~~
- (2) ~~If the CEM system is down for eight (8) hours or more fuel sampling shall be conducted as specified in 326 IAC 3-7-2(a) or (b), except that all samples shall be collected after the bunker. Fuel sample preparation and analysis shall be conducted as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e). Pursuant to 326 IAC 3-7-3, manual or other non-ASTM automatic sampling and analysis procedures may be used upon a demonstration, submitted to the department for approval, that such procedures provide sulfur dioxide emission~~

~~estimates representative either of estimates based on coal sampling and analysis procedures specified in 326 IAC 3-7-2 or of continuous emissions monitoring.~~

- (1) Fuel sampling shall be conducted as specified in 326 IAC 3-7-2(b). Fuel sample preparation and analysis shall be conducted as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e). Pursuant to 326 IAC 3-7-3, manual or other non-ASTM automatic sampling and analysis procedures may be used upon a demonstration, submitted to the department for approval, that such procedures provide sulfur dioxide emission estimates representative either of estimates based on coal sampling and analysis procedures specified in 326 IAC 3-7-2 or of continuous emissions monitoring.**
- (2) If during the life of this permit the Permittee notifies the IDEM that, pursuant to 326 IAC 7-2-1(g), continuous emission monitoring data will be used instead of fuel sampling and analysis, then whenever the SO₂ continuous emission monitoring system is malfunctioning or down for repairs or adjustments, the following shall be used to provide information related to SO₂ emissions:**
 - (A) If the CEM system is down for less than twenty-four (24) hours, the Permittee shall substitute an average of the quality-assured data from the hour immediately before and the hour immediately after the missing data period for each hour of missing data.**
 - (B) If the CEM system is down for twenty-four (24) hours or more, fuel sampling shall be conducted as specified in part (b)(1) of this condition, above.**

Comment 47:

Condition D.1.14 Record Keeping Requirements. The Permittee requested all the references to "complete and sufficient" be removed. The Permittee stated that the function of the Title V permit is to establish the requirements that are complete and sufficient to establish compliance. If the permit is deficient in this respect, the Permittee requested the record keeping requirements that are sufficient to establish compliance be listed in the permit.

Response to Comment 47:

The specific parameters for which the Permittee is required to keep records are listed in Condition D.1.14 (no D.1.11). Rule 326 IAC 2-7-6(1) states that all the record keeping requirements shall be sufficient to assure compliance with the terms and conditions of a Part 70 permit. IDEM, OAQ believes any information contained in a report shall be true, accurate, and complete. Therefore, no changes have been made as a result of this comment.

Comment 48:

Condition D.1.14(a)(2) Record Keeping Requirements. The Permittee stated that it is a tremendous amount of data to maintain all one-minute COM data for five years. The Permittee stated that they will maintain all one-minute data in excess of 60% opacity and, if requested, supply a software validation letter from the developer stating that the software records all one-minute opacities in excess of 60% or supply the software for IDEM validation.

Response to Comment 48:

Pursuant to 326 IAC 2-7-5(3)(B)(ii) and Condition C.20 (General Record Keeping Requirements), records required by this Part 70 permit shall be retained for at least five (5) years. Therefore, the Permittee must comply with these record keeping requirements. In addition, the opacity limits in

Conditions C.6 and D.1.3 are based on a six (6) minute averaging period. Therefore, only six (6)-minute averaged COMS data is required to meet this requirement. No change has been made as a result of this comment.

Comment 49:

Condition D.1.14(b)(4) Record Keeping Requirements. The Permittee stated that it is unclear why boiler load is needed to demonstrate compliance with Condition D.1.13(b) when the CEM is down. The SO₂ limits are in terms of pounds per MMBtu, not pounds per hour. The Permittee requested this reference be removed.

The Permittee requested to specify that boiler load is in megawatts if this condition remains. The Permittee stated that heat input is measured with the CEM and would not be measured during the CEM downtime.

In addition, the Permittee requested the reference to limestone injection rate data be removed. The Permittee stated that they do not inject limestone in the boilers to control SO₂ emissions.

Response to Comment 49:

According to Condition D.1.13(b) (now D.1.10), the Permittee shall conduct fuel sampling when the SO₂ CEM is down for twenty-four (24) hours or more and when the FGD system is not in use. Condition D.1.13(b) (now D.1.10(b)) does not require the Permittee to record the boiler load or the limestone injection rate when the SO₂ CEMS is down. Therefore, the record keeping requirements for boiler load and limestone injection rate have been removed and Condition D.1.14(b)(4) (now D.1.11(b)) has been revised as follows:

D.1.1411 Record Keeping Requirements

...

(b) To document compliance with the SO₂ requirements in Conditions D.1.1(a) and (b), D.1.79, and D.1.1013, the Permittee shall maintain records in accordance with (1) through (5) below. Records shall be complete and sufficient to establish compliance with the applicable SO₂ limit(s) as required in Conditions D.1.1, D.1.79, and D.1.1013. The Permittee shall maintain records in accordance with (3) and (4) below during SO₂ CEM system downtime.

...

(4) All boiler load, fuel sampling and analysis, and limestone injection rate data collected for SO₂ CEMS downtime, in accordance with Condition D.1.1013(b).

...

Comment 50:

Condition D.1.14(b)(5) Record Keeping Requirements. The Permittee stated that it is unclear why actual fuel usage during each SO₂ CEM downtime is needed for compliance demonstration with any of the conditions listed. The Permittee stated that the SO₂ limits are in terms of pounds per MMBtu and not pounds per hour. The Permittee requested this condition be removed.

Response to Comment 50:

During SO₂ CEMS downtime, the Permittee is required to perform coal sampling to determine the sulfur content of the coal used. The Permittee may use coals with different sulfur contents. It is useful to have the actual fuel usage record to compute the average sulfur content of the coal used at the boilers. Therefore, no change has been made as a result of this comment.

Comment 51:

Condition D.1.14(c) Record Keeping Requirements. The Permittee stated that this condition is too vague. The Permittee stated that not all boiler inspections relate to compliance with the Title V permit and requested the following changes to this condition:

D.1.14 Record Keeping Requirements

...

- (c) To document compliance with Condition D.1.5, 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.

Response to Comment 51:

Since the PMP requirements in Condition D.1.5 have been removed from the permit in the response to Comments 9 and 10, Condition D.1.14(c) has been removed from the permit as follows:

D.1.1411 Record Keeping Requirements

...

- ~~(c) To document compliance with Condition D.1.5, 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.~~

...

Comment 52:

The "EPSC" referred to in the unit description for the 0.78 MMBtu/hr natural gas fired boiler should be "Electric Production Service Center" building.

Response to Comment 52:

The unit description for this 0.78 MMBtu/hr boiler in Condition A.3 and Section D.2 has been corrected as discussed in the response to Comment 3.

Comment 53:

Condition D.2.1(c) PSD Minor Limit. The Permittee requested that other emission rates be acceptable as long as the 40 ton per year limit is not reached for NO_x during a twelve (12) consecutive month period. The Permittee suggested the following revisions to Condition D.2.1(c):

D.2.1 PSD Minor Limit [326 IAC 2-2-1]

Pursuant to 326 IAC 2-2-1 (PSD Requirements), the following limitations and standards shall be met:

- (a) In order to make the requirements of 326 IAC 2-2-1(x) and 326 IAC 2-2-1(jj) (PSD Requirements) not applicable to Auxiliary Boilers 1 and 2, the nitrogen oxides (NO_x) emissions from both of the auxiliary boilers shall be limited to less than 40 tons per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month.
- (b) The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period, with compliance determined at the end of each month.
- (c) NO_x emissions shall not exceed 280 lb/MMCF **or if a higher rate is determined, then the source may demonstrate compliance by showing that the 40 tons per twelve**

consecutive month period was not met or exceeded.

Response to Comment 53:

The Permittee shall comply with both the NOx emission rate limit and the natural gas usage limit specified in Condition D.2.1 to ensure compliance with the NOx emission limit of 40 tons/yr. The NOx emission rate limit of 280 lbs/MMCF was taken from AP-42, Table 1.4-1 for uncontrolled boilers with maximum heat input capacity greater than 100 MMBtu/hr. If a higher NOx emission rate is determined for Auxiliary Boiler 1 or Auxiliary Boiler 2, the Permittee shall submit a permit modification application to revise both the emission rate and the natural gas usage limits for these boilers. Therefore, no change has been made as a result of this comment.

Comment 54:

Condition D.2.2(b) Particulate Emission Limitations for Sources of Indirect Heating. The heat input of the boiler at EPSC building referred to in Condition D.2.2(b) is incorrect. The maximum heat input for this boiler should be 0.78 MMBtu/hr, not 0.778 MMBtu/hr.

Response to Comment 54:

This correction has been made as shown in the response to Comment 3.

Comment 55:

Condition D.2.4 Preventive Maintenance Plan. The Permittee requested this condition be removed because these "facilities" do not have emission control devices requiring preventive maintenance. Absent emission control devices, 326 IAC 1-6-3 does not require a PMP.

Response to Comment 55:

This condition has been removed in the response to Comments 9 and 10.

Comment 56:

The Permittee stated that listed below are four (4) diesel engines on-site at this source but the Unit 10 Cummins diesel generator was not listed in the permit.

- (a) 825 horsepower diesel starter engine for Unit 10.
- (b) Unit 10 Cummins diesel generator (Insignificant).
- (c) FGD emergency quench pump powered by a 460 horsepower diesel engine (Insignificant).
- (d) Stationary fire pump (Insignificant).

The source requested making the appropriate nomenclature and applicability changes in Section 3 and throughout the permit.

Response to Comment 56:

The description of the insignificant diesel engines has been revised as shown in the response to Comment 3.

Comment 57:

Condition D.3.3 Hours of Operation Limit. The Permittee requested that the requirement of 24 hours per month be removed from Condition D.3.3 for the FGD system emergency diesel

generator. The source stated that it does not serve a regulatory or environmental purpose and could inadvertently prevent operation of the FGD system emergency diesel generator during a period of need.

Response to Comment 57:

As defined in the September 6, 1995 memorandum from John S. Seitz of US EPA on the subject of "Calculating Potential to Emit for Emergency Generators", an emergency generator's sole function is to provide back-up power when power from the local utility is interrupted. According to this memorandum, the potential to emit of a emergency generator should be based on an operating time of 500 hours per year.

Based on an operating limit of 500 hours per year, the potential to emit NOx from this emergency generator is 3.88 tons per year. Combined with other emission units permitted in PC (64) 1816, issued March 5, 1990, the potential to emit of the modification in 1990 is still limited to less than the PSD significant modification thresholds. Therefore, the operating hour limit for this emergency generator and the associated record keeping requirement are not necessary and can be removed from the permit. Therefore, Condition D.3.3 and D.3.6 has been revised as follows:

~~D.3.3 Hours of Operation Limit [326 IAC 2]~~

~~Pursuant to PC (64) 1816, operation of the FGD system emergency diesel generator shall be limited to 24 hours per month (288 hours per year).~~

~~D.3.64 Record Keeping Requirements~~

...

~~(b) To document compliance with the requirements in Condition D.3.3, the Permittee shall maintain records of all periods of FGD emergency diesel generator operation. These records shall include the times of the start and end of operation, the operating time for that period (in hours) and the total cumulative operating time (in hours) for that calendar month.~~

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

Comment 58:

Condition D.3.4 Preventive Maintenance Plan. The Permittee requested this condition be removed because these "facilities" do not have emission control devices requiring preventive maintenance. Absent emission control devices, 326 IAC 1-6-3 does not require a PMP.

Response to Comment 58:

This condition has been removed in the response to Comments 9 and 10.

Comment 59:

Condition D.3.5(a) Sulfur Dioxide Emissions and Sulfur Content. The Permittee requested that IDEM specify that fuel sampling is adequate to demonstrate compliance with the 0.5 lbs/MMBtu limit.

Response to Comment 59:

Since the existing generators and engines are not equipped with SO₂ CEMs, the Permittee shall demonstrate compliance with the SO₂ emission limits in Condition D.3.1 by conducting stack testing or fuel sampling. Therefore, Condition D.3.5 has been revised as follows:

D.3.35 Sulfur Dioxide Emissions and Sulfur Content [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

Compliance with Condition D.3.2 shall be determined utilizing one of the following options:

~~(a) Pursuant to 326 IAC 7-2-1(c), the Permittee shall demonstrate that the sulfur dioxide emissions from the emergency generators and from the diesel starter engine for Unit 10 do not exceed the equivalent of five-tenths (0.5) pound per million Btu heat input, and that the oil burned in the FGD system emergency diesel generator does not exceed a maximum sulfur content of 0.3 percent (%).~~

(ba) Pursuant to 326 IAC 7-2-1(e) and 326 IAC 3-7-4, fuel sampling and analysis data shall be collected as follows:

...

(b) Compliance may also be determined by conducting a stack test for sulfur dioxide emissions from the engines and generators, using 40 CFR 60, Appendix A, Method 6 in accordance with the procedures in 326 IAC 3-6.

A determination of noncompliance pursuant to any of the methods specified in (a) or (b) above shall not be refuted by evidence of compliance pursuant to the other method.

Comment 60:

Condition D.3.6 Record Keeping Requirements. The Permittee requested all reference to "complete and sufficient" be removed from this Condition. The Permittee stated that a Title V permit is required to establish the requirements that are complete and sufficient to establish compliance.

Response to Comment 60:

See the response to Comment 49. No changes have been made as a result of this comment.

Comment 61:

Condition D.3.6(b) Record Keeping Requirements. The Permittee requested clarification that the total cumulative operating time (in hours) for the calendar month referred to in this condition means real hours, not a partial hour of operation being considered a full hour of operation.

Response to Comment 61:

This condition has been removed in the response to Comment 57.

Comment 62:

Condition D.3.6(c) Record Keeping Requirements. The Permittee requested this condition be removed because Condition D.3.4 is not required.

Response to Comment 62:

Since Condition D.3.4 has been removed in the response to Comments 9 and 10, the corresponding recordkeeping requirements in Condition D.3.6(c) has been removed as follows:

D.3.56 Record Keeping Requirements

...

~~(c) To document compliance with Condition D.3.4, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~

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

Comment 63:

The Permittee requested the following revisions to the unit description in Section D.4:

- (a) The coal storage and handling system was completed for Unit 7 by 1962 and for Unit 8 by 1968.
- (b) The coal crushers were not reconstructed.

"Reconstruction means the replacement of components of an existing facility to such an extent that: (1) the fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable entirely new facility..." [40 CFR 60.15(b)].

40 CFR 60.250(a) defines an affected facility for NSPS, Subpart Y as,

(a) The provisions of this subpart are applicable to any of the following affected facilities in coal preparation plants which process more than 181 Mg (200 tons) per day: Thermal dryers, pneumatic coal-cleaning equipment (air tables), coal processing and conveying equipment (including breakers and crushers), coal storage systems, and coal transfer and loading systems.

Based upon the plain reading of this section, there are five "affected facilities", and the pertinent one is "coal processing and conveying equipment." The author did not break up this clause with commas (e.g., coal processing equipment, conveying equipment,...). Furthermore, 40 CFR 60.250(b) defines coal processing and conveying equipment to include breakers, crushers, screens, and conveyor belts.

If reconstruction applies, then the trigger is based on whether the cost of the components

replaced at the coal processing and conveying facility exceed 50 percent of the fixed capital cost that would be required to construct a comparable new facility, i.e. the coal processing and conveying equipment, which they do not.

The Permittee requested all references to reconstruction in the permit, TSD and associated documents be removed.

Response to Comment 63:

The description for the coal storage and handling system for Unit 7 and Unit 8 has been corrected as shown in the response to Comment 2. IDEM, OAQ believes that the changes in 2003 to the existing coal crushers meets the modification definition in 40 CFR 60.2. Therefore, these coal crushers are still subject to the requirements of NSPS, Subpart Y. The description of these coal crushers has been updated as shown in the response to Comment 2.

Comment 64:

Condition D.4.1 New Source Performance Standards (NSPS): Coal Preparation Plants. The Permittee stated that the coal processing and conveying facility was not reconstructed and cannot be parsed into the coal crushers and coal conveyors. The Permittee requested this condition be removed.

In support of these new conditions, IDEM has merely cited its regulations at 326 IAC 12 wherein the Air Pollution Control Board has incorporated the federal Part 60 regulations by reference, which IDEM administers as the delegated NSPS authority for Indiana. Aside from these authorities, IDEM has provided no demonstration that those regulations are applicable to the coal handling operations at Bailly. IDEM claims that the NSPS applies to the coal crushers at Bailly, but this unilateral conclusion is not substantiated in the permit or in the TSD. Similarly, IDEM also concludes that the NSPS applies to the coal conveyors "which are reconstructed or have been replaced or reconstructed after October 24, 1974." IDEM has provided no explanation or authority to substantiate this conclusion. Again, IDEM has not explained how the reconstruction provisions of Subpart Y are to be applied to the coal handling equipment at Bailly in a manner that triggers the NSPS.

Furthermore, the Permittee stated that IDEM has cited no authority for applying the NSPS regulations to 'replaced' equipment. The term 'replaced' is not interchangeable with 'reconstruction' under the NSPS regulations.

Response to Comment 64:

As stated in the response to Comment 65, IDEM, OAQ believes that the coal crushers at this source are subject to the requirements of NSPS, Subpart Y. In addition, a reconstructed unit is considered a newly constructed unit. According to an EPA determination from Mr. George Czerniak to Mr. Frank Prager, dated June 30, 2003, each conveyor of the coal preparation plants must be evaluated individually to determine if the replacement of a single conveyor creates an affected facility subject to NSPS, Subpart Y. Therefore, any conveyor constructed after October 24, 1974 would be subject to NSPS, Subpart Y, pursuant to 40 CFR 60.250. No change has been made as a result of this comment.

Comment 65:

Condition D.4.3 General Provisions Relating to NSPS. The Permittee requested this condition be removed because NSPS, Subpart Y does not apply to this facility. The Permittee stated that IDEM has introduced the term "replaced to" the applicability of the NSPS without rulemaking. This term does not appear in the NSPS and should not be used as an applicability term.

Response to Comment 65:

See the responses to Comments 63 and 64. The reconstructed coal crusher is subject to the requirements of NSPS, Subpart Y. For clarification purposes, Condition D.4.3 has been revised as follows:

D.4.3 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 the coal crushers and any conveyors, beginning after the coal storage piles, which are ~~replaced or reconstructed~~ or have been ~~replaced or reconstructed~~ after October 24, 1974, except when otherwise specified in 40 CFR Part 60, Subpart Y.

Comment 66:

Condition D.4.4 Preventive Maintenance Plan. The Permittee requested this condition be removed because the emission control devices are not required by regulation or prior permit. A PMP therefore should not be required.

Response to Comment 66:

This condition has been removed in the response to Comments 9 and 10.

Comment 67:

Condition D.4.5 NSPS Test Methods and Procedures. The Permittee requested this condition be removed because NSPS, Subpart Y does not apply to this facility.

Response to Comment 67:

See the responses to Comments 63 and 64. No change has been made as a result of this comment.

Comment 68:

Condition D.4.6 NSPS Compliance Provisions. The Permittee requested this condition be removed because NSPS, Subpart Y does not apply to this facility.

Response to Comment 68:

See the responses to Comments 63 and 64. No change has been made as a result of this comment.

Comment 69:

Condition D.4.7 Particulate Control. The Permittee requested this condition be removed because a baghouse is not required by regulation or prior permit.

The IEUAWG commented that Condition D.4.7 requires the baghouse to be operated at all times when the controlled processes are in operation and this conflicts with the regulations that allow continued operation even when the emission control equipment is not operating. Such situations include start-ups, shut-downs, emergencies, malfunctions, and situations where a unit can comply with the underlying regulations without operation of the control equipment. In addition, these requirements may cause a violation of other employee safety regulations during some operating regimens.

The IEUAWG commented that there is no regulation or statute that requires continuous operation of the baghouse if they are not needed to satisfy an emission limit. The legal requirement is to comply with the emission limit, and it is up to the source to choose the methods for achieving that

compliance. The IEUAWG believes these conditions should be revised to allow non-operation of the control equipment when the limits are met, as would currently be the case. The IEUAWG proposed the following changes to Condition D.4.7:

D.4.7 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 Conditions D.4.1 and D.4.2, the baghouses for particulate control shall be in operation and control emissions **as needed to maintain compliance with applicable emission limits at all times the coal crushing is in operation.**

Response to Comment 69:

The phrase "except as otherwise provided by statute or rule or in this permit" in this condition makes it impossible for this condition to conflict with other rules or conditions which may allow continued operation when control devices are down for some specific situations. These units are not equipped with continuous emission monitoring systems to measure particulate matter emissions, and the only demonstration of compliance with the particulate matter emission limitations are the operation of control devices. There is no information to demonstrate that compliance with the particulate matter emission limitations can be achieved without the use of the control devices. Therefore, no change has been made as a result of this comment.

Comment 70:

Condition D.4.8 Visible Emissions Notations. The Permittee requested this condition be removed because the emissions are minimal and the monitoring is excessive. The uncontrolled potential to emit (PTE) calculation from AP-42, Chapter 13.2.4 results in emissions less than the limits established for particulate (Process Weight Rule 326 IAC 6-3-2). The Permittee stated that monitoring is not warranted because uncontrolled PTE cannot exceed the limit.

The Permittee stated that if this condition remains, compliance can and should be determined using the emissions calculations established in AP-42, not the use of visible notations.

The Permittee also requested the following changes to Condition D.4.8 if it remains:

- (a) Change the monitoring frequency to "once per day during normal daylight operations when unloading." The Permittee feels that monitoring associated with normal daylight operations is confusing and potentially unworkable. The Permittee stated that it is possible that a shift may only have 5 minutes of daylight and require 5 hours of time to complete the readings. IDEM has proposed permits for larger particulate sources in the State of Indiana with once per day notations.
- (b) For Conditions D.4.8(a) and D.4.8(c) remains, strike "any" and replace with "normal or abnormal." The Permittee stated that the coal unloading operation is expected to occasionally emit within the established limits as defined in Condition D.4.2. The Permittee stated that implying that any emissions are abnormal is contradictory to Condition D.4.2.
- (c) Delete Condition D.4.8(b) because the coal crusher baghouse is not required by regulation or prior permit.
- (d) Delete Condition D.4.8(e) because defining "normal" as the conditions prevailing or expected to prevail 80% of the time the process is in operation is unworkable. A facility with no visible emissions should not be required to define 20% of the observations as abnormal and initiate a compliance response. The term expected to prevail, does not make sense either. The Permittee expects their visible emissions to be normal 100% of the time. Compliance certification of this Condition is unworkable as well. Suppose that at the end of a year, no visible emissions were observed from a facility. Can a source certify compliance because 100% of the notations were normal? What if during a

five-year period, the entire cycle of the permit, 90% of the notations resulted in no visible emissions? Can the source be enforced against for not having exactly 80% of the visible emissions notations marked as normal? Does a source have to certify a deviation of this Condition each quarter if exactly 80% of the notations were not "normal?"

Response to Comment 70:

According to the emission calculations received from the source on July 28, 2005, the potential to emit of the coal storage and handling system for Units 7 and 8, and the coal crushers is less than the PM emission limits established in 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes). The coal crushers are controlled by a baghouse and the coal bunker, and the coal scale are controlled by dust collectors. Since the coal crushers are subject to 40 CFR 60, Subpart Y (Standards of Performance for Coal Preparation Plants), the Permittee is required to perform visible emission notations and the pressure drop monitoring for the baghouse associated with the coal crushers to ensure continuous compliance with the particulate and opacity limits. Since the particulate emissions from the coal storage and handling system for Units 7 and 8 are less than the particulate emission limitation established in 326 IAC 6-3-2 and there are no other federal rules applicable to this system, the visible emission notation requirements for the coal unloading station, which is part of the coal storage and handling system, have been removed from Condition D.4.8 (now D.4.7).

Condition D.4.8(e) [now D.4.7(c)] defines the term "normal" for the operations and emissions. If the monitoring records show that no visible emissions were observed from these processes more than 80% of the time the process is in operation, then "normal" means no visible emissions. This condition does not mean that the Permittee shall show that 80% of the visible emissions notations are marked as normal. Compliance certification shall be based on the actual monitoring record, not the projected data.

Upon further review, IDEM has determined that weekly visible emission notations for the coal crusher equipped with a baghouse is generally sufficient to ensure proper operation of these units. Therefore, Conditions D.4.8 and D.4.12 has been revised as follows:

D.4.87 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- ~~(a) Visible emission notations of the coal unloading station openings shall be performed once per shift during normal daylight operations when unloading coal. A trained employee shall record whether any emissions are observed.~~
- (ba) Visible emission notations of the coal crusher baghouse exhausts shall be performed once per shift **week** during normal daylight operations when the crusher is in operation. A trained employee shall record whether emissions are normal or abnormal.
- ~~(c) If any visible emissions of dust are observed from the coal unloading station openings, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.~~
- (db) If abnormal emissions are observed at a coal crusher baghouse exhaust, 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 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~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

- (ec) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation.
- (fd) 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.
- (ge) 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.4.1012 Record Keeping Requirements

...

- (b) To document compliance with Condition D.4.87 the Permittee shall maintain records of the visible emission notations of ~~the coal unloading station openings and the coal crusher baghouse exhausts.~~

...

Comment 71:

Condition D.4.9 Baghouse Parametric Monitoring. The Permittee requested this condition be removed because this baghouse is not required by regulation or prior permit.

In addition, the Permittee commented that monitoring frequency of once per shift is more stringent than other Title V monitoring IDEM has proposed for larger particulate sources and should be changed to once per day.

The Permittee also commented that the pressure drop range for the normal operation should be in the range of 0.45 to 8.0 inches of water.

The IEUAWG also commented that for the reasons set forth in comments 28, 38, and 46, IDEM is not authorized to impose this baghouse parametric monitoring. The IEUAWG stated that this condition, along with all related recordkeeping and reporting requirements, should be removed from the permit.

Response to Comment 71:

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.

Pressure drop is an indicator of a variety of conditions within the baghouse. Any deviations from the normal operational range of the unit, whether gradual or sudden, should alert the operator that the unit needs maintenance. Both gradual and sudden changes in the pressure drop could result in damage to the bags or baghouse if not properly addressed. IDEM has determined to revise the pressure drop range in this condition to be from 1.0 to 8.0 inches of water.

IDEM has determined that once per week of monitoring of the baghouse in conjunction with the coal crusher is generally sufficient to ensure proper operation of the control device. Therefore, Condition C.4.9 has been revised as follows to reflect the above changes:

D.4.98 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 each baghouse used in conjunction with the coal crushing at least once per ~~shift~~ **week** when the corresponding coal crusher is in operation. When for any one reading, the pressure drop across the baghouse is outside the normal range of ~~3.0 and 6.0~~ **1.0 and 8.0** 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 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 72:

Condition D.4.10 Baghouse Inspections. The Permittee requested this condition be removed because this baghouse is not required by regulation or prior permit.

The Permittee stated that inspections should be done yearly if this condition remains. The Permittee feels that quarterly bag inspections for this baghouse would be excessive. The Permittee also requested the crusher house baghouse be specified in Condition D.4.10(a).

The IEUAWG also commented that for the reasons set forth in comments 28, 38, and 46, IDEM is not authorized to impose this baghouse parametric monitoring. The IEUAWG stated that this condition, along with all related recordkeeping and reporting requirements, should be removed from the permit.

Response to Comment 72:

This condition has been removed in the response to Comments 9 and 10.

Comment 73:

Condition D.4.11 Broken or Failed Bag Detection. The Permittee requested this condition be removed because this baghouse is not required by regulation or prior permit. The Permittee also stated that requiring shutdown of the associated process is not warranted. The baghouse can be isolated and repaired.

The IEUAWG also commented that for the reasons set forth in comments 28, 38, and 46, IDEM is not authorized to impose this baghouse parametric monitoring. The IEUAWG stated that this condition, along with all related recordkeeping and reporting requirements, should be removed from the permit.

Response to Comment 73:

Once a bag failure is observed, continuing to operate the equipment will vent uncontrolled particulate matter to the atmosphere. In order to ensure continuous compliance with the particulate matter limitations, the Permittee shall shutdown the process when the associated single compartment baghouse fails. However, according to the language in Condition D.4.11(b), operations may continue if the event qualifies as an emergency as defined in Condition B.11 and the Permittee satisfies the requirements of the emergency provisions. If the emission units are controlled by a baghouse with multi-compartment units, only the affected baghouse compartments are required to be shut down until the failed units have been repaired or replaced.

Pursuant to 2-7-5(3) and in response to Comments 28, 38, and 46, 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.

Upon further review, IDEM determined to revise Condition D.4.11(no D.4.9) 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, Condition D.4.7 (now D.4.6) - Particulate Control, has been revised 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, Conditions D.4.7 and D.4.11 have been revised as follows to reflect the above changes:

D.4.76 Particulate Control [326 IAC 2-7-6(6)]

- (a) Except as otherwise provided by statute or rule or in this permit, in order to comply with Conditions D.4.1 and D.4.2, the baghouses for particulate control shall be in operation and control emissions at all times the coal crushing is 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.**

D.4.119 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.~~
- (ab) **For a single compartment baghouses controlling emissions from a process operated continuously, 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 a failed units and the associated process will~~ **shall** be shut down immediately until the failed units ~~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 74:

Conditions D.4.12(a), (b) and (c) Record Keeping Requirements. The Permittee requested these conditions be removed because the emissions from these units are minimal. In addition, the baghouse is not required. Therefore, the associated monitoring and record keeping is not warranted.

Comment 75:

Condition D.4.12(e) Record Keeping Requirements. The Permittee requested these conditions be removed because Condition D.4.4 is not required.

Response to Comments 74 and 75:

Conditions D.4.12(b) and D.4.12(c) [now D.4.10(a) and D.4.10(b)] remain in the permit because the Permittee is required to perform visible emissions notations and pressure drop monitoring (see the responses to Comments 72 and 73).

Since Conditions D.4.4 and D.4.10 have been removed in the response to Comments 9 and 10, the corresponding recordkeeping requirements in Conditions D.4.12(d) and D.4.12(e) will be removed.

Upon further review, IDEM, OAQ has decided to remove Condition D.4.12(a) since the requirements in this condition have been included in the general recordkeeping requirements in Section C.

Condition D.4.12 has been revised as follows to reflect the above changes. The changes made in response to Comment 70 is incorporated also.

D.4.1012 Record Keeping Requirements

- ~~(a) The Permittee shall maintain records demonstrating that the coal crusher reconstruction did not result in an increase in the annual emissions of any pollutant which is regulated under the Clean Air Act (CAA). [326 IAC 2-2-1(a)(4)]~~
- (ba) To document compliance with Condition D.4.87 the Permittee shall maintain records of the visible emission notations of the coal unloading station openings and the coal crusher baghouse exhausts.
- (cb) To document compliance with Condition D.4.98, the Permittee shall maintain records of the total static pressure drop across each baghouse.
- ~~(d) To document compliance with Condition D.4.10, the Permittee shall maintain records of the results of the baghouse inspections.~~
- ~~(e) To document compliance with Condition D.4.4, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
- (fc) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Comment 76:

Condition D.4.13 Reporting Requirements. The Permittee requested this condition be removed because NSPS do not apply to this facility. In addition, 326 IAC 2-2-1(a)(4) does not exist in the current Indiana Administrative Code. If IDEM is referencing 326 IAC 2-2-1(b)(4), this does not apply because coal crushers are not electric utility steam generating units [see 326 IAC 2-2-1(o)] and coal feed rates to the boiler were not actually or potentially changed. Moreover, there was not a "physical change or change in method of operation that would result in a significant net emissions increase of any pollutant" [definition of "major modification" under 326 IAC 2-2-1(x)]. Both actual emissions and potential emissions on an hourly and annual basis decreased.

Response to Comment 76:

As stated in the response to Comment 63, IDEM, OAQ believes that the coal crushers at this source are subject to the requirements of NSPS, Subpart Y. Therefore, the requirements in Condition D.4.13(b) is necessary.

Upon further review, IDEM, OAQ has decided to remove Condition D.4.12(a) since the requirements in this condition have been included in the general recordkeeping requirements in Section C. Therefore, Condition D.4.13 has been revised as follows:

D.4.1143-Reporting Requirements [326 IAC 12-1] [40 CFR Part 60, Subpart A]

- ~~(a) Pursuant to 326 IAC 2-2-1(a)(4), information demonstrating that the coal crusher reconstruction did not result in an increase in the annual emissions of any pollutant which is regulated under the Clean Air Act (CAA) shall be submitted on an annual basis for a period of five (5) years following October 31, 2003, the date that the crushers resumed regular operation following completion of the reconstruction activities. All of the coal fired by Units 7 and 8 is crushed; therefore, the annual coal usage reported pursuant to 326 IAC 2-6-4(3)(C) shall satisfy these requirements.~~
- (b) The owner or operator shall furnish the Administrator a written report of the results of the initial performance tests for NSPS Subpart Y and any subsequent performance tests required by the Administrator under section 114 of the Clean Air Act, in accordance with 40 CFR 60.8.

Comment 77:

Condition D.5.3 Fugitive Dust Plan. The Permittee stated that the map IDEM included in Appendix A shows mostly unpaved roadways. These roadways are watered, but not flushed. High pressure flushing does not make sense on unpaved roads. In addition, the flusher trucks are winterized once temperatures reach freezing and cannot be reactivated until spring without damaging the equipment (e.g., nozzle/water line freeze-up). The Permittee requested the following changes to Condition D.5.3:

D.5.3 Fugitive Dust Plan [326 IAC 2]

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

- (a) A map illustrating the **approximate** roadways required to be watered is attached to this permit as Appendix A. The **paved** roadways indicated on the map will be cleaned by water flushing at an applied rate of **approximately** 5,000 gallons per mile on a once per week basis. **The unpaved roadways indicated on the map will be watered on an as needed basis to prevent significant fugitive dusting.**
- (b) A high pressure water flushing truck will be used to wash the **paved** roadway surface.
- (c) The roadway will not be flushed **or watered** under the following conditions:
 - (1) A minimum of 0.1 inch of rainfall occurred during the preceding 24-hour period. The amount of rainfall will be determined by measurements representative of onsite conditions.
 - (2) It is raining at the time of the scheduled water flushing.
 - (3) The roadway is covered with snow or ice.
 - (4) **During the period lasting from November 1 through March 31. The high pressure flushing truck will be winterized and will not be available. This period may be extended if sustained freezing temperatures are experienced prior to November 1 or after March 31** ~~periods of freezing temperatures. This condition will be determined by onsite temperature measurements.~~

Response to Comment 77:

Condition D.5.3 was taken from PC (64) 1816 (issued March 15, 1990). Since this Part 70 permit has been sent to public notice, the proposed changes cannot be made in this addendum. The Permittee may submit a permit modification request for the proposed changes to Condition D.5.3 after this Part 70 permit is issued. Therefore, no change has been made as a result of this comment.

Comment 78:

Condition D.5.4 Preventive Maintenance Plan. The Permittee requested this condition be removed because the emission control devices are not required by regulation or prior permit and a PMP therefore should not be required.

Response to Comment 78:

This condition has been removed in the response to Comments 9 and 10.

Comment 79:

Condition D.5.5 Visible Emissions Notations. The Permittee requested this condition be removed because the emissions are minimal and the monitoring is excessive. The Permittee stated that the uncontrolled potential to emit (PTE) calculation from AP-42 Chapter 13.2.4 results in emissions less than the limits established for particulate (Process Weight Rule 326 IAC 6-3-2). The Permittee feels that monitoring is not warranted because uncontrolled PTE cannot exceed the limit.

The Permittee stated that if this condition remains, compliance should be determined using the emissions calculations established in AP-42, not the use of visible notations.

The Permittee also requested the following changes to Condition D.5.5 with the same reasons stated in Comment 72, if this condition remains:

- (a) Change the monitoring frequency to "once per day during normal daylight operations when unloading."
- (b) Delete Condition D.5.5(c).

The IEUAWG also commented that this condition should be modified or deleted (along with all related recordkeeping and reporting requirements). The IEUAWG stated that IDEM does not have authority for these conditions. The IEUAWG stated that if these conditions are retained, at a minimum, the frequency of observations should be reduced to a less onerous level.

Comment 80:

Condition D.5.6 Record Keeping Requirements. The Permittee requested Condition D.5.6(a) be removed because Condition D.5.5 is not required. The Permittee also stated that the referred condition number in Condition D.5.6(b) is incorrect and confusing.

Response to Comments 79 and 80:

IDEM does not agree with the emission calculations submitted by the source on July 28, 2005. The potential to emit of the limestone and lime handling operations shall be calculated using the emission factors from AP-42, Chapter 11.17, Table 11.17-4 for Lime Manufacturing. The emission calculation results show that the uncontrolled PM emissions are greater than the particulate emission limitation established for 326 IAC 6-3-2. Therefore, the Permittee is required to control the emissions from the limestone and lime handling operations and is required to perform visible emission notations to demonstrate continuous compliance with the 326 IAC 6-3-2.

Condition D.5.5(c) defines the term "normal" for the operations and emissions. This condition does not mean that the Permittee shall show that 80% of the visible emissions notations are marked as normal.

IDEM has determined that once per day monitoring of the visible emission notations for the limestone or lime storage silos, which are not equipped with baghouses, at this source is generally sufficient to ensure proper operation of these units. In addition, the PMP requirement in Condition D.5.4 has been removed in the response to Comments 9 and 10. The correct condition number referred in Condition D.5.6(b) [now Condition D.5.5(b)] shall be D.5.3. Therefore, Conditions D.5.5 and D.5.6 have been revised as follows:

D.5.54 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of each limestone storage silo vent filter exhaust shall be performed once per **shift day** during normal daylight operations when transferring limestone to that silo. Visible emission notations of the lime storage silo filter exhaust shall be performed once per **shift day** during normal daylight operations when transferring lime. A trained employee shall record whether emissions are normal or abnormal.

- (b) If abnormal emissions are observed from a limestone silo or lime silo exhaust, 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 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~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

...

D.5.65 Record Keeping Requirements

- (a) To document compliance with Condition D.5.54, the Permittee shall maintain records of the visible emission notations of the limestone silo and lime silo vent exhausts.
- (b) To document compliance with Section C - Opacity and Condition D.5.3(b), the Permittee shall maintain records of the control procedures for fugitive emissions from vehicle resuspension.
- ~~(c) To document compliance with Condition D.5.4, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
- (cd) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Comment 81:

Condition D.6.2 Preventive Maintenance Plan. The Permittee requested this condition be removed. The Permittee stated that the emission control devices are not required by regulation or prior permit and a PMP should not be required.

Response to Comment 81:

This condition has been removed in the response to Comments 9 and 10.

Comment 82:

Condition D.6.3 Particulate Control. The Permittee requested this condition be removed because there are no existing requirements required by regulation or prior permit.

If this condition remains, the Permittee requested to specify that the bin vent filter is the storage silo bin vent filter, not a separate bin vent filter.

Response to Comment 82:

The Permittee shall operate the control devices when the associated emission units are in operation to ensure continuous compliance with the particulate emission limits in Condition D.6.1 (see the response to Comment 69). Condition D.6.3 has been revised as follows to specify the bin vent filter is the storage silo bin vent filter:

D.6.3 Particulate Control [326 IAC 2-7-6(6)]

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

Comment 83:

Condition D.6.4 Visible Emissions Notations. The Permittee requested this condition be removed because the emissions are minimal and the monitoring is excessive. The uncontrolled potential to emit (PTE) calculation from AP-42, Chapter 13.2.4 results in emissions less than the limits established for particulate (Process Weight Rule 326 IAC 6-3-2). Because uncontrolled PTE cannot exceed the limit, monitoring is not warranted.

The Permittee stated that if this condition remains, compliance can and should be determined using the emissions calculations established in AP-42, not the use of visible notations.

The Permittee also requested the following changes to Condition D.6.4 with the same reasons stated in Comment 72, if this condition remains:

- (a) Change the monitoring frequency to "once per day during normal daylight operations when unloading."
- (b) Delete Conditions D.6.4(a) and D.6.4(c) because there is no enclosure for this operation.
- (c) Delete Condition D.6.4(e).

The IEUAWG also commented that this condition should be modified or deleted (along with all related recordkeeping and reporting requirements). The IEUAWG stated that IDEM does not have authority for these conditions. The IEUAWG stated that if these conditions are retained, at a minimum, the frequency of observations should be reduced to a less onerous level.

Comment 84:

Condition D.6.5 Record Keeping Requirements. The Permittee requested to remove this condition because Conditions 6.2 and 6.4 are not required.

Response to Comments 83 and 84:

IDEM does not agree with the emission calculations submitted by the source on July 28, 2005. The potential to emit of the fly ash handling operation shall be calculated using the emission factors for Cement Supplement Unloading in AP-42, Chapter 11.12, Table 11.12-2 and the emission factors for Product Transfer and Conveying in AP-42, Chapter 11.17, Table 11.17-4. The emission calculation results show that the uncontrolled PM emissions are greater than the particulate emission limitation established for 326 IAC 6-3-2. Therefore, the Permittee is required to control the emissions from the fly ash handling operations and is required to perform visible emission notations to demonstrate continuous compliance with the 326 IAC 6-3-2.

Since each ash silo unloading station is controlled by a bin vent filter and a telescoping chute, visible emission notations are required for the exhausts from the bin vent filter and the telescoping chute. Therefore, the requirements in Conditions D.6.4(a) and (c) [now D.6.3(a) and (c)] are necessary.

The Compliance Response Plan requirement in Condition D.6.5(e) has been replaced by the requirement of "Response to Excursions or Exceedances" (see the response to Comment 28).

Upon further review, IDEM has determined that once per day monitoring of the visible emission notations for the fly ash handling operations at this source is generally sufficient to ensure proper operation of these units. In addition, the PMP requirement in Condition D.6.2 has been removed in the response to Comments 9 and 10. Therefore, Condition D.6.4 and D.6.5 have been revised as follows:

D.6.43 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of the ash silo unloading station openings shall be performed at least once per **shift day** during normal daylight operations when ash is being unloaded. A trained employee shall record whether any emissions are observed.

- (b) Visible emission notations of the fly ash conveyance, the ash silo bag filter, and the ash silo bin vent filter exhaust shall be performed at least once per **shift day** during normal daylight operations when transferring ash to the corresponding silo. A trained employee shall record whether emissions are normal or abnormal.
- (c) Visible emission notations of the nozzle of each telescoping chute shall be performed at least once per **shift day** during normal daylight operations when unloading ash through the chute. A trained employee shall record whether emissions are normal or abnormal.
- (d) If any visible emissions of ash are observed from the ash silo unloading station openings, 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 visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps 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.
- (e) If abnormal emissions are observed at the bin vent filter exhaust or from the nozzle of the telescoping chute, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **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 - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

...

D.6.45 Record Keeping Requirements

- (a) To document compliance with Condition D.6.34, the Permittee shall maintain records of the visible emission notations of the ash silo unloading station openings and the baghouse stack exhaust.
- ~~(b) To document compliance with Condition D.6.2, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
- (bc) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Comment 85:

Condition D.7.1(b) Fugitive Dust Emission Limitations. The Permittee stated that the second paragraph is not required by regulation and therefore should be removed.

Response to Comment 85:

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. In addition, any ash storage pond generating fugitive dust shall be in violation of 326 IAC 6-4. Therefore, Condition D.7.1 has been revised as follows:

D.7.1 Fugitive Dust Emission Limitations [326 IAC 6-4-2]

Pursuant to 326 IAC 6-4-2:

- (a) Any ash storage pond 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 86:

Condition D.7.2 Preventive Maintenance Plan. The Permittee requested this condition be removed because these "facilities" do not have emission control devices requiring preventive maintenance. The Permittee stated that 326 IAC 1-6-3 does not require a PMP for units without a control device.

Response to Comment 86:

This condition has been removed in the response to Comments 9 and 10.

Comment 87:

Condition D.7.3 Visible Emissions Notations. The Permittee requested this condition be removed because the emissions are minimal and visible emissions notations would be excessive monitoring. IDEM is not being consistent in applying monitoring. Are visible notations required for every exposed area at every Title V source in the State of Indiana? In addition, Bailly has not been cited for having a problem in these areas.

The Permittee also requested the following changes to Condition D.7.3 with the same reasons stated in Comment 72, if this condition remains:

- (a) Change the monitoring frequency to "once per day during normal daylight operations when unloading."
(b) Delete Condition D.7.3(c).

The IEUAWG also commented that this condition should be modified or deleted (along with all related recordkeeping and reporting requirements). The IEUAWG stated that IDEM does not have authority for these conditions. The IEUAWG stated that if these conditions are retained, at a minimum, the frequency of observations should be reduced to a less onerous level.

Comment 88:

Condition D.7.4(a) and (b) Record Keeping Requirements. The Permittee requested these conditions be removed because Conditions D.7.2 and D.7.3 are not required.

Response to Comments 87 and 88:

IDEM, OAQ believes that the requirements in Condition D.7.3 are necessary (see the response to Comment 72). Condition D.7.2 has been removed in the response to Comments 9 and 10. Therefore, the corresponding recordkeeping requirements in D.7.4(b) will be removed.

For clarification purposes and in order to reflect the changes in the general conditions, Conditions D.7.3 and D.7.4 have been revised as follows:

D.7.32 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of the ash storage pond area(s) and any bottom ash storage piles shall be performed at least once per day during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

- (b) 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.

D.7.34 Record Keeping Requirements

...

- ~~(b) To document compliance with Condition D.7.2, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~

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

Comment 89:

Condition D.9.2 Preventive Maintenance Plan. The Permittee requested this condition be removed because the emission control devices are not required by regulation or prior permit. The Permittee stated that a PMP should not be required for the units without control devices.

Response to Comment 89:

This condition has been removed in the response to Comments 9 and 10.

Comment 90:

Condition D.9.3 Particulate Control. The Permittee requested this condition be removed because there is no regulatory or permit requirement supporting this condition. In addition, the Permittee indicated that the only sandblasting operation at this source does not have a baghouse.

Response to Comment 90:

The Permittee has provided no information to demonstrate that the units can comply with the PM emission limits without the control. Therefore, Condition D.9.3 [now D.9.2] remains in the permit. Since the sandblasting operation at this source does not have a baghouse, Condition D.9.3 has been revised as follows:

D.9.32 Particulate Control [326 IAC 2-7-6(6)]

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

Comment 91:

Condition D.9.4 Record Keeping Reporting Requirements. The Permittee requested this condition be removed because Condition D.9.2 is not required.

Response to Comment 91:

Since Condition D.9.2 has been removed in the response to the Comments 9 and 10, the recordkeeping requirements in Condition D.9.4 has been removed:

~~D.9.4 Record Keeping Requirements~~

- ~~(a) To document compliance with Condition D.9.2, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
- ~~(b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.~~

Comment 92:

Section E & F. The Permittee requested synchronization of the expiration dates of the Acid Rain Permits and NOx Budget Permits.

Response to Comment 92:

See Responses to Comment 4. No change has been as a result of this comment.

Comment 93:

Section F Nitrogen Oxides Budget Trading Program. The Permittee stated that the Nitrogen Oxide Budget permit is a stand-alone permit and not a section of a Title V permit, pursuant to 326 IAC 10-4-4. The Permittee stated that the Nitrogen Oxide Budget permit should be referenced in the Title V permit but be a separate document as is done with the Acid Rain permit.

Response to Comment 93:

A Part 70 permit shall include all the applicable requirements. Since the Nitrogen Oxide Budget permit includes the requirements in the provision of 326 IAC 10-4-4, the requirements of this NOx budget permit shall also be included in the Part 70 permit. Therefore, no change has been made as a result of this permit.

Comment 94:

Forms. The Permittee stated that the mailing address on all forms attached to this Part 70 Permit needs to be changed to Arthur E. Smith 801 E. 86th Avenue, Merrillville, Indiana 46410. The Hammond address is no longer valid.

Response to Comment 94:

The mailing address of the source has been revised throughout the permit as stated in the response to Comment 1.

Comment 95:

Technical Support Document. The Permittee requested making the changes listed above consistent in the Technical Support Document (TSD).

Comment 96:

Unpermitted Emission Units and Pollution Control Equipment in TSD. The Permittee requested this condition be removed because the coal crushers were not reconstructed. In addition, the source stated that the potential to emit of these units did not increase and a permit was not needed. The Permittee stated that IDEM agreed with this on February 3, 2004.

Comment 97:

Enforcement Issue in TSD. The Permittee stated that the modification project for the coal crushers are not considered reconstructed under NSPS and requested this enforcement language be removed. They objected to IDEM determining in a Draft Title V Technical Support Document that a violation occurred.

Comment 98:

Coal Handling Description in TSD. The Permittee stated that the dates for the coal handling operation are incorrect and should be changed to the dates indicated in the comments for Section D.4. The Permittee stated that the coal crushers were not reconstructed and the reference to reconstruction and record keeping requirements should be removed.

Comment 99:

Appendix A to TSD. The Permittee stated that the map in Appendix A is not accurate. Only paved roads are flushed and unpaved roads are wetted as needed. The Permittee has attached a copy of the appropriate markup of the map.

Response to Comments 95 through 99:

In a letter to the Permittee from IDEM, OAQ, dated March 9, 2004, IDEM agreed that the changes to the coal crusher in 2003 do not require an air permit and the coal crushers at this source are not considered unpermitted emission units. However, the modification to the coal crushers in 2003 triggered the requirements of NSPS, Subpart Y. The Permittee should have complied with the NSPS requirements when the modification was commenced in 2003. IDEM is reviewing this matter and will take appropriate enforcement action. IDEM acknowledges the revised map for unpaved roads which are wetted as needed.

However, no changes have been made to the TSD because the IDEM, OAQ prefers that the Technical Support Document reflect the permit that was on public notice. Changes to the permit or technical support material that occur after the public notice are documented in this Addendum to the Technical Support Document. This accomplishes the desired result of ensuring that these types of concerns are documented and part of the record regarding this permit decision.

Comment 100:

EPA stated that there is an ongoing enforcement case and a notice of violation (NOV) was issued against this facility on September 29, 2004. However, the technical support document (TSD) and permit do not make reference to or acknowledge these alleged violations. EPA would like to insert placeholder language into the permit to allow enforcement to pursue these violations, if deemed necessary.

Response to Comment 100:

The NOV issued on September 29, 2004 includes the boilers Units 7 and 8. IDEM, OAQ, in consultation with EPA's Region 5, has decided to add Condition D.1.0 to Section D.1 as follows to address the NOV issues:

D.1.0 NOV Provisions

U.S. EPA has issued a Notice of Violation to this Permittee for allegedly failing to obtain, and comply with, New Source Review ("NSR"), Prevention of Significant Deterioration, and/or NSR for minor source Permits authorizing construction of physical modifications to units and operation of the modified units, as required by provisions set out in the Clean Air Act and 326 IAC 2. Therefore, the permit shield in Section B - Permit Shield does not shield the Permittee from possible enforcement actions initiated by U.S. EPA, IDEM or citizens involving Boilers Units 7 and 8. Compliance with the terms of this permit does not serve as proof of compliance for Boilers Units 7 and 8 or the matters addressed in the NOV. Following resolution of this action, IDEM will reopen this permit, if necessary, to incorporate

a compliance schedule or any new applicable requirements. The standard language of Section B - Permit Shield does not shield any activity on which the permit is silent.

Comment 101:

EPA stated that they are unable to locate any supporting documentation in PC (64) 1816 or its associated TSD that supports the removal of the coal sulfur content limitation (see TSD page 6 of 32). Since the original condition in permit 1816 did not specifically state that this condition was for "informational purposes only", there does not seem to be ample justification for its removal.

Response to Comment 101:

Boilers Unit 7 and Unit 8 are currently equipped with SO₂ CEMS. Therefore, compliance with the pounds per MMBtu SO₂ emission limits established in 326 IAC 7 and in PC (64) 1816, issued on March 15, 1990, can be demonstrated through the data from the SO₂ CEMS. As stated in the TSD, the coal sulfur limit of 4.5% by weight and the corresponding coal analysis requirements included in PC (64) 1816, issued on March 15, 1990, were requested as part of a Department of Energy coal study. The sulfur content information was not required to demonstrate compliance with any air emission limit or scrubber efficiency requirement. Since there is no authority to impose this sulfur content limit and this limit will not provide any additional emission reduction or ensure compliance with the existing SO₂ emission limits, the sulfur content limit and the corresponding coal analysis requirements are not carried to the source's Part 70 operating permit. No change has been made as a result of this comment.

Comment 102:

EPA stated that the opacity limit stated in operating condition # 3 of PC (64) 1816 (pursuant to 326 IAC 5-1-2) and the hour of operation restriction on the diesel generator in operating condition 16 should be included in the Part 70 operating permit.

Response to Comment 102:

Opacity Limitations:

All emission units at the NIPSCO - Bailly plant are subject to the opacity limitations in 326 IAC 5-1-2(1), which limits the opacity as follows:

- (1) Opacity shall not exceed an average of 40% in any one 6-minute averaging period; and
- (2) Opacity shall not exceed 60% for more than a cumulative total of 15 minutes.

These requirements are included in Condition C.2 of the Part 70 permit. Therefore, the 40% opacity limitation in Condition #3 of PC (64) 1816 for the AFGD system is covered under Condition C.2.

Diesel Generator Operating Limitation:

According to the TSD for PC (64) 1816, the 1990 AFGD construction project would have triggered PSD due to the emissions from the 500 HP emergency generator. Therefore, PC (64) 1816 limited the number of hours of operation of this unit to 288 hours per year to avoid PSD review. This source was a major source under PSD prior to the AFGD construction project. The calculations for this emergency generator are included on page 5 of Appendix B to the TSD. These calculations show that at maximum operation (8760 hours per year), the potential NO_x emissions for the emergency generator are greater than the 40 ton per year PSD threshold. However, this generator is an emergency generator. According to the September 6, 1995 memorandum from John S. Seitz, U.S. EPA, the potential to emit of an emergency generator should be based on an operating time of 500 hours per year. The potential NO_x emissions from the emergency generator for 500 hours of operation per year is 3.9 tons per year, which is less

than the 40 tons per year PSD threshold. Hence, the 288 hour per year limit is not required.

Therefore, no changes have been made as the result of these comments.

Comment 103:

For Condition D.4.4 (NSPS Test Methods and Procedures), EPA asked that if the source has already conducted the required performance tests since the compliance date specified (January 20, 2004) has already passed.

Response to Comment 103:

The Permittee completed the upgrade of the crusher baghouse on June 17, 2004. The performance testing required by 40 CFR 60, Subpart Y was completed on August 17, 2004 and the results of this testing indicated compliance with the standard. However, a Part 70 operating permit shall include all the applicable requirements. Since the initial testing requirement for NSPS, Subpart Y is an applicable requirements for this source, Condition D.4.4 should remain in the permit. Therefore, no change has been made as the result of this comment.

Comment 104:

The Permittee requested the language in Condition D.4.2 be revised to follow the rule exactly.

Response to Comment 104:

Condition D.4.2 has been revised as follows in order to reflect the exact wording in 326 IAC 6-3-2:

D.4.2 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), for the coal processing ~~at the maximum throughput rate of 1000 tons per hour, which has a maximum process weight rate greater than 200 tons per hour,~~ the concentration of particulate in the discharge gases to the atmosphere shall be less than **one tenth (0.10)** pounds per one thousand (1,000) pounds of gases.

Upon further review, the OAQ has decided to make the following revisions to the permit:

1. 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).

2. The sections's name that collects operating fees has changed. The permit has been updated with the current name Billing, Licensing, and Training Section.

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, IM & Billing~~, **Licensing, and Training** Section), to determine the appropriate permit fee.
3. IDEM, OAQ has clarified ambient monitoring requirements under 326 IAC 7-3 in Condition C.23 as follows:

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

- (a) The Permittee shall operate continuous ambient sulfur dioxide air quality monitors and a meteorological data acquisition system according to a monitoring plan submitted to the commissioner for approval. The monitoring plan shall include requirements listed in 326 IAC 7-3-2(a)(1), 326 IAC 7-3-2(a)(2) and 326 IAC 7-3-2(a)(3).
 - (b) **The Permittee and other operators subject to the requirements of 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)]**
4. The Permittee is no longer subject to Section 112(j) of the Clean Air Act. Therefore, Condition C.24 has been removed from the permit.

Part 2 MACT Application Submittal Requirement

~~C.24 Application Requirements for Section 112(j) of the Clean Air Act [40 CFR 63.52(e)]~~

~~[40 CFR 63.56(a)] [40 CFR 63.9(b)] [326 IAC 2-7-12]~~

- ~~(a) The Permittee shall submit a Part 2 Maximum Achievable Control Technology (MACT) Application in accordance with 40 CFR 63.52(e)(1). The Part 2 MACT Application shall meet the requirements of 40 CFR 63.53(b).~~
- ~~(b) Notwithstanding paragraph (a), the Permittee is not required to submit a Part 2 MACT Application if the Permittee no longer meets the applicability criteria of 40 CFR 63.50 by the application deadline in 40 CFR 63.52(e)(1). For example, the Permittee would not have to submit a Part 2 MACT Application if, by the application deadline:~~
 - ~~(1) The source is no longer a major source of hazardous air pollutants, as defined in 40 CFR 63.2;~~
 - ~~(2) The source no longer includes one or more units in an affected source category for which the U.S. EPA failed to promulgate an emission standard by May 15, 2002; or~~
 - ~~(3) The MACT standard or standards for the affected source categories included at the source are promulgated.~~
- ~~(c) Notwithstanding paragraph (a), pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall~~

~~submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The initial notification shall be submitted to:~~

~~_____ Indiana Department of Environmental Management
_____ Compliance Data Section, Office of Air Quality
_____ 100 North Senate Avenue, P.O. Box 6015
_____ Indianapolis, Indiana 46206-6015~~

~~_____ and~~

~~_____ United States Environmental Protection Agency, Region V
_____ Director, Air and Radiation Division
_____ 77 West Jackson Boulevard
_____ Chicago, Illinois 60604-3590~~

5. The third sentence in the Quarterly Deviation and Compliance Monitoring report was changed to be consistent with Condition B.14 Deviations from Permit Requirements and Conditions.

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

**PART 70 OPERATING PERMIT
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT**

Source Name: Northern Indiana Public Service Company (NIPSCO) - Bailly Generating Station
Source Address: 246 Bailly Station Road, Chesterton, Indiana 46304
Mailing Address: Arthur E. Smith 801 East 86th Avenue, Merrillville, Indiana 46410
Part 70 Permit No.: T127-6635-00002

Months: _____ to _____ Year: _____

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<p>This report shall be submitted quarterly based on a calendar year. For the purpose of this permit, "calendar 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. Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report. A deviation required to be reported pursuant to an applicable requirement that exists independent of the permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".</p>
<p>NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.</p>
<p>...</p>

6. 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 (USEPA) to IDEM, OAQ dated May 18, 2004, all permits must address the use of credible evidence. The following language has been incorporated into the permit to address credible evidence:

B.24 Credible Evidence [326 IAC 2-7-5(3)][326 IAC 2-7-6][62 FR 8314][326 IAC 1-1-6]
For the purpose of submitting compliance certifications or establishing whether or not the Permittee has violated or is in violation of any condition of this permit, nothing in this

permit shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether the Permittee would have been in compliance with the condition of this permit if the appropriate performance or compliance test or procedure had been performed.

7. 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, **T127-6635-00002**, is issued for a fixed term of five (5) years from the **effective** 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.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:~~

~~(A1) Submitted at least nine (9) months prior to the date of the expiration of this permit; and~~

~~(B2) 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] [326 IAC 2-7-4]~~

~~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.**

8. In order to reflect the NSR reform rules, Conditions B.17, C.20 and C.21 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] [326 IAC 2-3-2]

...

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

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

.....

- (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.21 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.

9. The mailing address for IDEM, OAQ has been changed as follows:

100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana ~~46206-6015~~ 46204-2251

This change has been made throughout the whole permit.

10. 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. Conditions C.1 and D.9.1 have been revised to remove (a) which contained these requirements. 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 Conditions C.1(b) and D.9.1(b) has been removed.

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.~~

D.9.1 Particulate [326 IAC 6-3-2] ~~[40 CFR 52 Subpart P]~~

- ~~(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.~~
- (ba) Pursuant to 326 IAC 6-3-2(e)(2) (**Particulate Emission Limitations for Manufacturing Processes**), 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.~~

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

...

11. IDEM has clarified the 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 emissions ~~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). The notification requirement per (a)(4) of this condition does not apply to emission trades of SO₂ or NO_x under 326 IAC 21 or 326 IAC 10-4.

...

- (f) **This condition does not apply to emission trades of SO₂ or NO_x under 326 IAC 21 or 326 IAC 10-4.**

12. Upon further review, IDEM has decided to remove paragraph (e) 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]

...

- ~~(e) No permit amendment or modification is required for the addition, operation or removal of a nonroad engine, as defined in 40 CFR 89.2.~~

13. 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.

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**6865**

...

14. Since the Permittee requested the effective date for this permit be delayed until July 1, 2006, IDEM, OAQ has made following changes:

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 **effective date of the permit** ~~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:

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 **effective date of this permit** ~~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.

...

(d) Nothing in 326 IAC 2-7-15 or in this permit shall alter or affect the following:

...

(2) The liability of the Permittee for any violation of applicable requirements prior to or at the time of this permit's ~~issuance~~ **effective date**;

...

C.11 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 **after the effective date of this permit** ~~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:

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

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

...

(b) These ERPs shall be submitted for approval to:

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

within ninety (90) days after the **effective** date of ~~issuance~~ of this permit.

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

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

...

(b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of **the effective date of this permit** ~~issuance~~.

C.21 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11][**326 IAC 2-2**][**326 IAC 2-3**]

. . . .

- (e) The first report shall cover the period commencing on the **effective** 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, "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

. . .

D.1.64 Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

By December 31 of the second calendar year following the most recent stack test, or within 180 days after ~~the effective date issuance~~ of this permit, whichever is later, compliance with the PM limitation for Boilers 7 and 8 shall be determined by performance stack tests conducted using methods as approved by the Commissioner. This testing shall be repeated by December 31 of every second calendar year following this valid compliance demonstration. Testing shall be conducted in accordance with Section C- Performance Testing.

. . .

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: Northern Indiana Public Service Company (NIPSCO)
Bailey Generating Station
Source Location: 246 Bailey Station Road, Chesterton, Indiana 46304
County: Porter
SIC Code: 4911
Operation Permit No.: T127-6635-00002
Permit Reviewer: Vickie Cordell

The Office of Air Quality (OAQ) has reviewed a Part 70 permit application from Northern Indiana Public Service Company (NIPSCO) Bailey Generating Station, relating to the operation of a stationary electric utility generating station.

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 Bailey Generating Station consists of the following emission units and pollution control devices, for consistency the stack IDs used for Units 7, 8, and 10 are now the same as used for the NO_x SIP:

- (a) One (1) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil will be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil will be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Construction of a selective catalytic reduction (SCR) system on Unit 8 began in 2003. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (c) Two (2) natural gas-fired boilers, identified as Auxiliary Boiler 1 and Auxiliary Boiler 2, with construction completed in 1980, each with a nominal heat input capacity of 99.9 million Btu per hour, both exhausting through Stack 5.

- (d) One (1) simple-cycle, natural gas-fired combustion turbine, identified as Unit 10, with construction completed in 1968, with a design heat input capacity of 600 million Btu per hour, exhausting to Stack 10.
- (e) One (1) 825 horsepower diesel starter engine for Unit 10 combustion turbine.
- (f) A coal storage and handling system for Units 7 and 8, with installation started in 1972 or 1973 and completed in August 1974, with a maximum throughput of 1000 tons of coal per hour, consisting of the following equipment:
 - (1) One (1) railcar unloading station with particulate emissions controlled by enclosure and wet suppression.
 - (2) An enclosed conveyor system, with the transfer points underground or enclosed by buildings. A telescoping chute is used to drop coal to the storage pile(s).
 - (3) Coal storage pile(s), with fugitive dust emissions controlled by compaction.
- (g) Material handling and storage facilities for the flue gas desulfurization system, with installation started in 1990 and completed in 1992, including the following:
 - (1) Pneumatic conveyance of limestone to storage silos and from the silos to the scrubber, at a maximum throughput rate of 26.7 tons per hour.
 - (2) Pneumatic conveyance of hydrated lime to a storage silo and from the silo to the scrubber, at a maximum throughput rate of 4.8 tons per hour.
 - (3) Two (2) limestone storage silos, with a combined storage capacity of 2225 tons, each with a fabric filter to recover the pneumatically conveyed material.
 - (4) One (1) hydrated lime storage silo, with a storage capacity of 115 tons, with a fabric filter to recover the pneumatically conveyed material.
 - (5) Dewatered gypsum is transferred via an enclosed conveyor to an enclosed storage building at a maximum throughput rate of 48.8 tons per hour. Gypsum is transferred to trucks by front end loader in the building and taken offsite.
- (h) Dry fly ash handling, installed in 1981 or 1982, including the following:
 - (1) Vacuum conveyance of fly ash to storage silos with particulate emissions controlled by bin vent filter, with a maximum throughput rate of 10.2 tons per hour.
 - (2) Two (2) fly ash silo unloading stations, with a maximum throughput rate of 500 tons/hr, with particulate emissions from each controlled by the use of a telescoping chute with a vacuum system and a bin vent filter when the ash is being loaded dry, and controlled by the use of water spray mixed with the ash when the ash is being loaded wet.
- (i) Wet process bottom ash handling installed in the 1960's, with bottom ash sluiced to storage pond(s), with water cover or vegetation sufficient to prevent ash re-entrainment. Ash removed from the pond(s) is stored in piles before being taken offsite by truck.

Unpermitted Emission Units and Pollution Control Equipment

The source also consists of the following emission units which were reconstructed without the proper permit approval:

Two (2) enclosed coal crushers, reconstructed in October 2003, each with a maximum throughput of 500 tons of coal per hour, exhausting through a baghouse.

Insignificant Activities

The Bailly Station also consists of the following activities that meet the definition of insignificant activities as defined in 326 IAC 2-7-1(21):

- (1) Space heaters, process heaters, or boilers using the following fuels:
 - (A) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour, including one (1) 2.4 million Btu per hour (MMBtu/hr) natural gas-fired main office building boiler installed in the 1960's, and one (1) 780,000 Btu per hour natural gas-fired boiler at the EPSC (the Electric Product Services building) installed in the 1960's, for building heat only.
 - (B) Propane or liquefied petroleum gas, or butane-fired combustion sources with heat input equal to or less than six million (6,000,000) Btu per hour.
 - (C) Fuel oil-fired combustion sources with heat input equal to or less than two million (2,000,000) Btu per hour and firing fuel containing less than five-tenths (0.5) percent sulfur by weight.
- (2) Equipment powered by internal combustion engines of capacity equal to or less than 500,000 Btu/hour, except where total capacity of equipment operated by one stationary source exceeds 2,000,000 Btu/hour.
- (3) Combustion source flame safety purging on startup.
- (4) 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.
 - (A) Tank 1, installed in 1962, with a capacity of 1,100 gallons.
 - (B) Tank 5, installed in 1982, with a capacity of 2,000 gallons.
- (5) A petroleum fuel, other than gasoline, dispensing facility having a storage capacity less than or equal to 10,500 gallons, and dispensing less than or equal to 230,000 gallons per month.
 - (A) Diesel fuel Tank 3, installed in 1962, with a capacity of 6,000 gallons.
 - (B) Diesel fuel Tank 4, installed in 1962, with a capacity of 6,000 gallons.
- (6) The following VOC and HAP storage containers:
 - (A) Storage tanks with capacity less than or equal to 1,000 gallons and annual throughput less than 12,000 gallons.
 - (B) Vessels storing lubricating oils, hydraulic oils, machining oils, and machining fluids.

- (7) Application of oils, greases, lubricants, or other nonvolatile materials applied as temporary protective coatings.
- (8) Machining where an aqueous cutting coolant continuously floods the machining interface.
- (9) Degreasing operations that do not exceed 145 gallons per 12 months, except if subject to 326 IAC 20-6.
- (10) Cleaners and solvents characterized as follows:
 - (A) Having a vapor pressure equal to or less than 2 kPa; 15 mm Hg; or 0.3 psi measured at 38 degrees C (100°F) or;
 - (B) Having a vapor pressure equal to or less than 0.7 kPa; 5mm Hg; or 0.1 psi measured at 20°C (68°F); the use of which for all cleaners and solvents combined does not exceed 145 gallons per 12 months.
- (11) Closed loop heating and cooling systems.
- (12) Any of the following structural steel and bridge fabrication activities:
 - (A) Cutting 200,000 linear feet or less of one inch (10) plate or equivalent.
 - (B) Using 80 tons or less of welding consumables.
- (13) Solvent recycling systems with batch capacity less than or equal to 100 gallons.
- (14) Activities associated with the treatment of wastewater streams with an oil and grease content less than or equal to 1% by volume.
- (15) 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.
- (16) Any operation using aqueous solutions containing less than 1% by weight of VOCs, excluding HAPs.
- (17) Water based adhesives that are less than or equal to 5% by volume of VOCs, excluding HAPs.
- (18) Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.
- (19) Heat exchanger cleaning and repair.
- (20) Process vessel degassing and cleaning to prepare for internal repairs.
- (21) Stockpiled soils from soil remediation activities that are covered and waiting transportation for disposal.
- (22) Coal bunker and coal scale exhausts and associated dust collector vents.
- (23) Asbestos abatement projects regulated by 326 IAC 14-10.
- (24) Purging of gas lines and vessels that is related to routing 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.

- (25) 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.
- (26) Blowdown for any of the following: sight glass; boiler; compressors; pumps; and cooling tower.
- (27) Emergency generators as follows: One (1) FGD system emergency quench pump powered by a 500 horsepower diesel generator.
- (28) Other emergency equipment as follows: One (1) stationary fire pump (diesel-fired).
- (29) 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.
- (30) Purge double block and bleed valves.
- (31) Filter or coalescer media changeout.
- (32) Vents from ash transport systems not operated at positive pressure.
- (33) A laboratory as defined in 326 IAC 2-7(20)(c).
- (34) Other activities or categories not previously identified with potential, uncontrolled emissions equal to or less than thresholds require listing only: Pb 0.6 ton per year or 3.29 pounds per day, SO₂ 5 pounds per hour or 25 pounds per day, NO_x 5 pounds per hour or 25 pounds per day, CO 25 pounds per day, PM 5 pounds per hour or 25 pounds per day, VOC 3 pounds per hour or 15 pounds per day:

Evaporation of boiler chemical cleaning liquids.

Note: A No. 2 fuel oil tank installed in 1970 with a capacity of 762,432 gallons, identified as Tank 2 in the 1984 operation permit application, was removed in the 1980's or 1990's.

Existing Approvals

The Bailly Generating Station has been operating under previous approvals including, but not limited to, the following:

- (a) Operation Permit No. 64-07-92-0245, issued July 1, 1992, for Unit 7.
- (b) Operation Permit No. 64-07-92-0246, issued July 1, 1992, for Unit 8.
- (c) Operation Permit No. 64-07-92-0247, issued July 1, 1992, for combustion turbine Unit 10.
- (d) Operation Permit No. 64-07-92-0248, issued July 1, 1992, for the fuel and dry fly ash handling and storage systems.
- (e) Construction Permit PC (64) 1378, issued April 5, 1979, for ESPs and dry fly ash handling systems including storage silos with a baghouse.
- (f) Registration issued September 8, 1980, for two (2) 99.9 MMBtu/hr natural gas-fired auxiliary boilers.

- (g) Construction Permit No. PC (64) 1816, issued March 15, 1990, for the flue gas desulfurization system, including a February 1, 1990, letter from David Kee, Director, Region 5 EPA, confirming EPA's agreement that NSPS and PSD did not apply to the FGD project provided that the included requirements were met.
- (h) Registration CP 127-2215, issued December 19, 1991, for a bag filter attached to the dry fly ash silo to control emissions that occur as the silo is being filled, and a bin vent filter attached to the dry fly ash silo to control emissions that occur when trucks are loaded.
- (i) Registration issued June 16, 1992, for an additional baghouse dust collector for the FGD system, on the existing lime transfer receiving vessel located in the dewatering building.
- (j) Acid Rain Permit 127-5300-00002, issued December 31, 1997.

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 revised in this Part 70 permit (added wording is shown in bold font, deleted wording is shown in strikethrough font):

(a) **From PC (64) 1816, issued March 15, 1990:**

~~The sulfur content of the coal used at the Bailly Station shall not exceed 4.5 percent (%) by weight.~~

~~To demonstrate compliance with the coal sulfur content limit, the Permittee shall sample and analyze the coal bunkered on a daily basis. The analysis will include the heat content and percent (%) sulfur on an as-bunkered basis.~~

Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and PC (64) 1816, issued March 15, 1990, continuous emission monitoring systems for Units 7 and 8 shall be calibrated, maintained, and operated for measuring opacity, SO₂ ~~before and~~ after the scrubber, NO_x, and either CO₂ or O₂ ~~before and~~ after the scrubber, which meet the performance specifications of 326 IAC 3-5-2 and 40 CFR 60.45.

Reason for revisions: The SO₂ removal efficiency of the scrubber, the coal sulfur limit and the corresponding coal analysis requirements were requested as part of a Department of Energy coal study. This information is not required to demonstrate compliance with any air emission limit or scrubber efficiency requirement; SO₂ CEMS are used to demonstrate compliance with 326 IAC 7 and the SO₂ limit of PC (64) 1816.

~~Fugitive particulate emissions associated with the FGD system and the road surface flushing program will be below the PSD de minimis values for both PM and PM₁₀ (25 ton/yr and 15 ton/yr, respectively).~~

Reason not incorporated: This was descriptive information only, not a requirement. There is no practical way to measure fugitive dust emissions from the onsite road surfaces, the main source of fugitive dust emissions from activities associated with the flue gas desulfurization (FGD) system, and no practical means to assess how much of the dust is attributable to the vehicles transporting FGD materials.

~~The lime and limestone transfer blowers shall be located in enclosed buildings.~~

Reasons not incorporated: The fugitive dust control plan submitted with the 1989 application for the FGD project included statements that the transfer blowers for the limestone and lime pneumatic conveying systems would be installed in totally enclosed buildings to further control fugitive dust. However, barring catastrophic failure, there is no possibility of dust escaping from the blowers because they are completely sealed units. The blowers were not actually installed indoors.

A map illustrating the roadways required to be watered is attached to this permit as Appendix A. ~~The total approximate 3.2 mile roadways shown indicated~~ on the map will be cleaned by water flushing at an applied rate of 5,000 gallons per mile on a once per week basis. ~~Based on a control efficiency presented in the Ohio EPA document entitled, Reasonably Available Control Measures for Fugitive Dust Sources (September 1980), this activity will yield an efficiency of 80 percent (%) emissions reduction.~~

Reasons for revisions: The map of required road watering areas has been revised. Not all of the roadways shown on the map are required to be watered, only the specifically indicated portions. The onsite roadways indicated on the original map did not include all of the unpaved roadways that actually need to be watered for dust control, but included all of the main roadway to and from the plant entrance on U.S. Route 12. Most of the main roadways onsite are usually not a significant source of fugitive dust, but truck traffic onsite by nature accumulate more material necessitating dust preventative measures.

The control efficiency description was for informational purposes only, not a requirement. There would be no practical way to demonstrate the percent emissions reduction.

(b) **From the auxiliary boiler Registration issued September 8, 1980:**

~~No Construction or Operation Permit is required; however, emissions shall be at a level acceptable to Regulation 325 IAC 1-4 (APC 4R).~~

Pursuant to 326 IAC 2-2-1 (PSD Requirements), the following limitations and standards shall be met:

- (a) **In order to make the requirements of 326 IAC 2-2-1(x) and 326 IAC 2-2-1(jj) (PSD Requirements) not applicable to Auxiliary Boilers 1 and 2, the nitrogen oxides (NO_x) emissions from both of the auxiliary boilers shall be limited to less than 40 tons per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month.**
- (b) **The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period, with compliance determined at the end of each month.**
- (c) **NO_x emissions shall not exceed 280 lb/MMCF.**

Reason for revisions: The threshold for NO_x emissions for a PSD major modification was the same in September 1980 as the current regulation, 40 tons per year of NO_x. The potential to emit of NO_x for the auxiliary boilers exceeds 40 tons, using either the May 1974 AP-42 emission factors that were current in 1980 or the latest EPA emission factors. Therefore, operation of the auxiliary boilers should have been limited in the 1980 approval to make the addition not subject to PSD review.

Auxiliary boilers are needed for cold restarts of the main boilers. Annual emission inventory submissions indicate that the auxiliary units at Bailly are also routinely operated approximately 52 hours per year to maintain their ready availability for restarts of Units 7 and 8. Given the infrequency and duration of such restarts, it is believed that the Bailly auxiliary boilers have not actually operated at PSD levels. Therefore, it is appropriate to add limits in the Part 70 permit to assure that these units do not become subject to PSD requirements.

A fuel use limit and NO_x emission limit have been established. No records are available to indicate if the stated heat input capacity of each unit, 99.9 MMBtu/hr, is the actual maximum capacity or the design capacity. The NO_x emission factor for gas-fired boilers greater than 100 MMBtu/hr is larger than the emission factor for boilers less than 100 MMBtu/hr. To be more conservative, the higher emission factor has been used to derive the fuel use limit, as follows:

$$280 \text{ lb NO}_x/\text{MMCF} \times 285 \text{ MMCF}/\text{year} \times 1 \text{ ton}/2000 \text{ lbs} = 39.9 \text{ tons}/\text{year}$$

From Registration CP 127-2215, issued December 19, 1991:

~~The particulate matter (PM) emissions from the bag filter and the bin vent filter attached to the dry fly ash silo shall be limited to 0.02 grains per actual cubic foot (gr/acf), with the actual gas flow rate of 4040 actual cubic feet per minute (acfm) for the bag filter and 2996 acfm for the bin vent filter. This will yield a total emission rate of 1.2 pounds per hour and 5.25 tons per year.~~

~~PM emissions will be considered in compliance with 326 IAC 6-3 provided that visible emissions do not exceed 10 percent (%) opacity.~~

~~The bag filter and bin vent filter are registered as control devices under rule 326 IAC 2-1-1(b)(3).~~

Reasons not incorporated: The registration was not subject to public notice requirements; therefore, these conditions were not enforceable. There is no regulatory basis for the grain loading limit or the 10% opacity limit. In addition, pursuant to 326 IAC 7-10.5(f)(8) (Part 70 permits; source modifications), the requirement to process the addition, replacement, or use of a pollution control project as defined in 326 IAC 2-1-1(13) that is exempt under 326 IAC 2-2-1(o)(2)(H) does not apply to pollution control projects that the department approved as an environmentally beneficial pollution control project through a permit issued prior to July 1, 2000.

The following terms and conditions from previous approvals have been determined to be no longer applicable; therefore, they 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) Conditions that existed only in previous operation permits and are not currently required by applicable state or federal requirements.

Enforcement Issue

- (a) IDEM is aware that reconstruction of the coal crushers violated New Source Performance Standard. The subject equipment is listed in this Technical Support Document under the condition entitled "Unpermitted Emission Units and Pollution Control Equipment".
- (b) IDEM is reviewing this matter and will take appropriate action.

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 application for the purposes of this review was received on September 20, 1996. Additional information was received on October 28, 2003; November 17, 2003; January 5, 2004; and January 22, 2004.

Emission Calculations

See Appendix B of this document for detailed emission calculations (pages 1 through 5).

Potential To Emit of the Source

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a stationary source 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."

Pollutant	Potential To Emit (tons/year)
PM	greater than 100
PM-10	greater than 100
SO ₂	greater than 100
VOC	greater than 25
CO	greater than 100
NO _x	greater than 100

Note: For the purpose of determining Title V applicability for particulates, PM-10, not PM, is the regulated pollutant in consideration.

HAP's	Potential Emissions (tons/year)
HF	greater than 10
HCl	greater than 10
Arsenic	less than 10
Beryllium	less than 10
Cadmium	less than 10
Chromium	less than 10
Formaldehyde	less than 10
Lead	less than 10
Manganese	less than 10
Nickel	less than 10
Toluene	less than 10
TOTAL	greater than 25

- (a) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of SO₂, NO_x, CO, and PM-10, are equal to or greater than 100 tons per year, and equal to or greater than 25 tons per year of VOC (Porter County). Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (b) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of any single HAP is equal to or greater than ten (10) tons per year and/or the potential to emit (as defined in 326 IAC 2-7-1(29)) of a combination HAPs is greater than or equal to 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 Bailly Station. This information reflects the 2002 OAQ emission data.

Pollutant	Actual Emissions (tons/year)
PM-10	445
SO ₂	5,051
VOC	72
CO	330
NO _x	15,725

County Attainment Status

The source is located in Porter County.

Pollutant	Status
PM-10	unclassifiable
SO ₂	unclassifiable
Ozone	severe nonattainment
CO	attainment
Lead	attainment

- (a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. The Chicago CMSA in Porter County has been designated as severe nonattainment for ozone.
- (b) Porter County has been classified as attainment or unclassifiable for all other criteria pollutants.

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 assume that all reasonable information is provided to evaluate continuous compliance with the applicable requirements.

Federal Rule Applicability

40 CFR 52.21 (Prevention of Significant Deterioration)

Boilers, Units 7 and 8

Units 7 and 8 were both constructed in the 1960's, prior to the initial applicability date for federal Prevention of Significant Deterioration regulation, January 6, 1975.

Auxiliary Boilers

The two (2) natural gas-fired boilers, identified as Auxiliary Boiler 1 and Auxiliary Boiler 2, were completed in 1980. The Part 70 permit includes fuel use and NO_x emission limits to limit the PTE of NO_x below 40 tons to make PSD not applicable to these units.

PSD Minor Limit [326 IAC 2-2-1]

Pursuant to 326 IAC 2-2-1 (PSD Requirements), the following limitations and standards shall be met:

- (a) In order to make the requirements of 326 IAC 2-2-1(x) and 326 IAC 2-2-1(jj) (PSD Requirements) not applicable to the two (2) auxiliary boilers, the nitrogen oxides (NO_x) emissions from the auxiliary boilers shall be limited to less than 40 tons per twelve (12)

consecutive month period. Compliance with this limit shall be determined at the end of each month.

- (b) The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period, with compliance determined at the end of each month.
- (c) NO_x emissions shall not exceed 280 lb/MMCF.

Combustion Turbine, Unit 10

Unit 10 and the accompanying diesel starter engine were constructed in the 1960's, prior to the initial applicability date for federal Prevention of Significant Deterioration regulation, January 6, 1975.

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Pursuant to 326 IAC 2-2-1 (PSD Requirements), the following limitations and standards shall be met:

- (a) In order to make the requirements of 326 IAC 2-2-1(x) and 326 IAC 2-2-1(jj) (PSD Requirements) not applicable to the two (2) auxiliary boilers, the nitrogen oxides (NO_x) emissions from the auxiliary boilers shall be limited to less than 40 tons per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month.
- (b) The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period, with compliance determined at the end of each month.
- (c) NO_x emissions shall not exceed 280 lb/MMCF.

Combustion Turbine, Unit 10

Unit 10 and the accompanying diesel starter engine were constructed in the 1960's, prior to the initial applicability date for federal Prevention of Significant Deterioration regulation, January 6, 1975.

Coal Handling

A coal handling system, including coal conveying equipment, crushers, storage systems, transfer and loading systems for Units 7 and 8, was constructed starting in 1972 or 1973 and completed in August 1974, prior to the initial applicability date for federal Prevention of Significant

Deterioration regulation, January 6, 1975. However, in October 2003, the Permittee reconstructed the coal crushers.

Pursuant to 326 IAC 2-2-1(a)(4), the owner or operator must maintain and submit information demonstrating that the change did not result in an emissions increase. 326 IAC 2-6 already requires annual reporting of the coal usage for Units 7 and 8; this is the same as the annual coal throughput for the crushers. The following conditions have been included in the Part 70 permit:

Record Keeping Requirements

The Permittee shall maintain records demonstrating that the coal crusher reconstruction did not result in an increase in the annual emissions of any pollutant which is regulated under the Clean Air Act (CAA). [326 IAC 2-2-1(a)(4)]

Reporting Requirements [326 IAC 12-1] [40 CFR Part 60, Subpart A]

Pursuant to 326 IAC 2-2-1(a)(4), information demonstrating that the coal crusher reconstruction did not result in an increase in the annual emissions of any pollutant which is regulated under the Clean Air Act (CAA) shall be submitted on an annual basis for a period of five (5) years following October 31, 2003, the date that the crushers resumed regular operation following completion of the reconstruction activities. All of the coal fired by Units 7 and 8 is crushed; therefore, the annual coal usage reported pursuant to 326 IAC 2-6-4(3)(G) shall satisfy these requirements.

FGD Material Handling and Emergency Generator

The addition of the flue gas desulfurization (FGD) system was a pollution control project, and the pre-construction approval included limits and fugitive dust control requirements to assure that the project was not subject to PSD requirements.

40 CFR 60 (New Source Performance Standards)

Boilers 7 and 8

Boilers 7 and 8 are not subject to the requirements of the New Source Performance Standard, 40 CFR 60.40 through 60.48c, Subparts D, Db, and Dc (Standards of Performance for Fossil-Fuel-Fired Steam Generators and Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units), because construction commenced before August 17, 1971. Both of the units were constructed in the 1960's.

Auxiliary Boilers

The auxiliary boilers are not subject to the requirements of the New Source Performance Standard, 40 CFR 60 Subpart D, Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After August 17, 1971, or Subpart Da, Standards of Performance for Electric Utility Steam Generating Units for Which Construction is Commenced after September 18, 1978, because the heat input rate of each of the units is less than 250 MMBtu/hr. The nominal heat input capacity of each auxiliary boiler is 99.9 MMBtu/hr.

The auxiliary boilers are not subject to the requirements of 40 CFR 60 Subparts Db and Dc because the units were constructed prior to June 18, 1984. Construction of both auxiliary boilers was completed in 1980.

Combustion Turbine, Unit 10

Unit 10 is not subject to the requirements of the New Source Performance Standard, 40 CFR 60, Subpart GG (Stationary Gas Turbines) because the turbine was constructed prior to the applicability date of October 3, 1977. Unit 10 was constructed in the 1960's.

40 CFR 60 (New Source Performance Standards)

Coal Handling

A coal handling system, including coal conveying equipment, crushers, storage systems, transfer and loading systems for Units 7 and 8, was constructed starting in 1972 or 1973 and completed in August 1974. Therefore, the coal processing was not previously subject to the requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60, Subpart Y, Standards of Performance for Coal Preparation Plants) because the construction was commenced prior to the applicability date, October 24, 1974. However the Permittee reconstructed the coal crushers in October 2003. Therefore, the crushers are now subject to Subpart Y. In addition, in accordance with EPA Applicability Determinations issued October 29, 1990, by Region 4; April 16, 1998, by Region 4; and June 30, 2003, by Region 5, any sections of conveyors following the coal storage piles which have been replaced after October 24, 1974, are also now subject to Subpart Y.

These requirements include:

New Source Performance Standard (NSPS) [326 IAC 12] [40 CFR 60, Subpart Y]

Pursuant to 326 IAC 12 and 40 CFR 60, Subpart Y (Standards of Performance for Coal Preparation Plants) the exhaust from the following coal processing and handling equipment shall not exhibit opacity greater than or equal to twenty percent (20%) [40 CFR 60.252(c)]:

- (a) the coal crushers; and
- (b) any coal conveyors, beginning after the coal storage piles, which are replaced or reconstructed or have been replaced or reconstructed after October 24, 1974.

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 the coal crushers and any conveyors, beginning after the coal storage piles, which are replaced or reconstructed or have been replaced or reconstructed after October 24, 1974, except when otherwise specified in 40 CFR Part 60, Subpart Y.

NSPS Test Methods and Procedures [326 IAC 2-7-6(1), (3), (6)] [326 IAC 2-1.1-11] [40 CFR 60.8] [40 CFR 60.46]

Within 60 days following January 20, 2004, the date on which the coal crushers achieved the maximum production rate at which they will be operated, the Permittee shall conduct initial performance tests for NSPS Subpart Y. Performance tests shall be conducted and data reduced in accordance with the test methods and procedures contained in 40 CFR 60.8 and 40 CFR 60.254 unless the Administrator approves an alternative in accordance with 40 CFR 60.8(b). [40 CFR 60.8]

Note: NSPS initial performance tests are required to be conducted within 180 days after the process becomes subject or within 60 days after achieving maximum capacity, whichever comes first. The current crushers became operational on October 31, 2003. However, Boiler 8 was down for SCR work until January 2004. The new crushers did not reach maximum production rate until January 20, 2004.

NSPS Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart Y]

Method 9 and the procedures in 40 CFR 60.11 shall be used to determine opacity. [40 CFR 60.254(b)(2)]

Reporting Requirements

The owner or operator shall furnish the Administrator a written report of the results of the initial performance tests for NSPS Subpart Y and any subsequent performance tests required by the Administrator under section 114 of the Clean Air Act, in accordance with 40 CFR 60.8. [326 IAC 12-1] [40 CFR Part 60, Subpart A]

Limestone and Hydrated Lime Handling

The limestone and hydrated lime handling for the Unit 7 and 8 FGD system are not subject to the requirements of the New Source Performance Standard, 40 CFR 60, Subpart OOO, (Standards of Performance for Nonmetallic Mineral Processing Plants) because the handling operations do

not meet the definition for a nonmetallic mineral processing plant. There is no crushing of limestone or lime performed onsite, only storage and conveying. All lime and limestone are received in powder form.

Oil and Gasoline Storage Tanks

Gasoline tank 1, capacity 1,100 gallons, installed in 1962; and diesel tanks 3 and 4, capacity 6,000 gallons each, installed in 1966, are not subject to 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); 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) because all of the tanks were installed prior to June 1973. In addition, Subparts K and Ka specifically exempt Nos. 2 through 6 fuel oils from the definition of Petroleum Liquids.

Gasoline tank 5, is not subject to the requirements of the New Source Performance Standard, 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) because the unit was constructed in 1982. Tank 5 is not subject to 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) because the storage capacity is less than 40,000 gallons. The capacity of the unit is 2,000 gallons.

Insignificant Activities: VOC and HAP storage tanks:

None of the insignificant activities identified as "storage tanks with capacity less than or equal to 1,000 gallons and annual throughput less than 12,000 gallons" is subject to the requirements of the New Source Performance Standard, 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), because the capacity of each vessel is less than 40 cubic meters, equivalent to 10,568 gallons. The actual dates of installation of these storage tanks is unknown.

40 CFR 63 (National Emission Standards for Hazardous Air Pollutants)

Source

The requirements of Section 112(j) of the Clean Air Act (40 CFR Part 63.50 through 63.56) are applicable to this source because the source is a major source of HAPs (i.e., the source has the potential to emit 10 tons per year or greater of a single HAP or 25 tons per year or greater of a combination of HAPs) and the source includes one or more units that belong to one or more source categories affected by the Section 112(j) Maximum Achievable Control Technology (MACT) Hammer date of May 15, 2002.

- (a) This rule requires the source to:
 - (1) Submit a Part 1 MACT Application by May 15, 2002; and
 - (2) Submit a Part 2 MACT Application for each affected source category in accordance with the appropriate Part 2 MACT Application deadline listed in Table 1 to 40 CFR 63, Subpart B for the affected source category.
- (b) The Permittee submitted a Part 1 MACT Application on May 15, 2002.

- (c) Pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The MACT and the General Provisions of 40 CFR 63, Subpart A will become new applicable requirements, as defined by 326 IAC 2-7-1(6), that must be incorporated into the Part 70 permit. After IDEM, OAQ receives the initial notification, any of the following will occur:
- (1) If three or more years remain on the Part 70 permit term at the time the MACT is promulgated, IDEM, OAQ will notify the source that IDEM, OAQ will reopen the permit to include the MACT requirements pursuant to 326 IAC 2-7-9; or
 - (2) If less than three years remain on the Part 70 permit term at the time the MACT is promulgated, the Permittee must include information regarding the MACT in the renewal application, including the information required in 326 IAC 2-7-4(c); or
 - (3) The Permittee may submit an application for a significant permit modification under 326 IAC 2-7-12 to incorporate the MACT requirements. The application may include information regarding which portions of the MACT are applicable to the emission units at the source and which compliance options will be followed.

Combustion Turbine, Unit 10

The Unit 10 combustion turbine is not subject to the National Emission Standards for Hazardous Air Pollutants for Stationary Combustion Turbines, 40 CFR 63, Subpart YYYYY. Each turbine meets the criteria of an "existing stationary combustion turbine" in 40 CFR 63.6090(a)(1) because construction was commenced on each turbine prior to January 14, 2003. Pursuant to 40 CFR 63.6090(b)(4), existing stationary combustion turbines do not have to meet the requirements of 40 CFR 63, Subpart YYYYY and of 40 CFR 63, Subpart A. This determination is based on the version of the final rule that was signed on August 29, 2003 by the U.S. EPA Administrator. A copy of the signed version of the NESHAP is currently available on the U.S. EPA website, <http://www.epa.gov/ttn/oarpg/t3pfpr.html>, and will be published in the Federal Register.

40 CFR 68 (Risk Management Plan)

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

40 CFR 72 through 40 CFR 78 (Acid Rain Permit)

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 A, and is incorporated by reference.

Title IV Emissions Allowances

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.

State Rule Applicability - Entire Source

326 IAC 2-6 (Emission Reporting)

This source is subject to 326 IAC 2-6 (Emission Reporting), because it is located in Porter County and has the potential to emit more than ten (10) tons per year of VOC or NO_x. Pursuant to this rule, the owner/operator of the source must annually submit an emission statement for the source. The annual statement must be received by April 15 of each year and contain the minimum requirement as specified in 326 IAC 2-6-4. The submittal should cover the period defined in 326 IAC 2-6-2(8)(Emission Statement Operating Year).

326 IAC 5-1 (Opacity)

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.

326 IAC 6-4 (Fugitive Dust Emissions)

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 6-4-4 (Motor vehicle fugitive dust sources)

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.

326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations)

This rule is not applicable because the source is not located in a nonattainment area, and obtained all necessary approvals before December 13, 1985.

326 IAC 7-3 (Ambient Monitoring)

The Permittee shall operate continuous ambient sulfur dioxide air quality monitors and a meteorological data acquisition 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).

326 IAC 10-4 (NO_x Budget Trading Program)

Pursuant to 326 IAC 10-4-2(16) Unit 7, Unit 8, and Unit 10 are each considered an "electricity generating unit (EGU)" because each 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. 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. The Permittee shall be subject to the requirements of this rule. The NO_x authorized account representative has already submitted the permit application.

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 Permittee shall record, report, and quality assure the data from the monitoring systems for the NO_x budget units in accordance with 326 IAC 10-4-12 and 40 CFR 75.

State Rule Applicability - Individual Facilities

Coal-fired Boilers, Units 7 and 8:

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

Pursuant to 326 IAC 6-2-2 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(b)), the PM emissions from Units 7 and 8 shall not exceed 0.22 pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

$$Pt = \frac{0.87}{Q^{0.16}} \quad \text{Where } Q = \text{total source capacity (MMBtu/hr)}$$

Pursuant to 326 IAC 6-2-2(b), the emission limitations for those indirect heating facilities which were existing and in operation on or before June 8, 1972, shall be calculated using the above equation where Q shall reflect the total source capacity on June 8, 1972. For Units 7 and 8, Q = 5015.18 MMBtu/hr (1638 MMBtu/hr + 3374 MMBtu/hr + 2.4 MMBtu/hr main office building boiler + 0.78 MMBtu/hr EPSC building boiler).

326 IAC 5-1-3 (Temporary Alternative Opacity Limitations)

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

- (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 one (1) hour (ten (10) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred fifty (250) degrees Fahrenheit, whichever occurs first.
- (2) When shutting down a boiler, opacity may exceed the 40% opacity limitation for a period not to exceed a total of one (1) hour (ten (10) six (6)-minute averaging periods) during the shutdown period.
- (3) Operation of the electrostatic precipitator is not required during these times unless necessary to comply with these limits.

(b) When removing ashes from the fuel bed or furnace in a boiler or blowing tubes, opacity may exceed the applicable limit established in 326 IAC 5-1-2 and stated in Section C - Opacity. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period and opacity in excess of the applicable limit shall not continue for more than one (1) six (6)-minute averaging period in any sixty (60) minute period. The averaging periods in excess of the limit set in 326 IAC 5-1-2 shall not be permitted for more than three (3) six (6)-minute averaging periods in a twelve (12) hour period. [326 IAC 5-1-3(b)]

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

326 IAC 7-4-14 (Sulfur Dioxide (SO₂))

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the sulfur dioxide (SO₂) emissions from the flue gas desulfurization system stack shall be limited to 1.2 pound per million Btu's of energy input.
- (b) Pursuant to 326 IAC 7-4-14(2)(A) (Porter County Sulfur Dioxide Emission Limitations), the SO₂ emissions from Unit 7 and Unit 8 shall not exceed 6.0 pounds per million Btu's (lbs/MMBtu) when the FGD system is not in use.

326 IAC 2, 326 IAC 3-5, 326 IAC 7-2 (Continuous Emissions Monitoring)

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and PC (64) 1816, issued March 15, 1990, continuous emission monitoring systems for Units 7 and 8 shall be calibrated, maintained, and operated for measuring opacity, SO₂ after the scrubber, NO_x, and either CO₂ or O₂ after the scrubber, which meet the performance specifications of 326 IAC 3-5-2 and 40 CFR 60.45.
- (b) Pursuant to PC (64) 1816, the opacity monitors shall be located in the individual unit ducts downstream of the ESP's but upstream of the FGD system combined flow duct in a location that meets the EPA CEM location guidelines. Data from these continuous opacity monitors shall not be combined but recorded and reported separately.
- (c) Pursuant to PC (64) 1816, a separate 30-day rolling weighted average for SO₂ shall be maintained for the FGD stack and the previously existing Bailly station stack. Each day for which there is a period of more than one hour during which either stack is in use for the purpose of venting emissions from one or both of the Bailly Station units shall be included (on a weighted basis) in the 30 day rolling weighted average for that stack.
- (d) Pursuant to PC (64) 1816, the 30-day rolling weighted average SO₂ emission rates shall be determined by using the continuous emission monitor data to calculate daily SO₂ emission rates. Excess hourly average emission rates due to startup or shutdown may be excluded from the calculation of the daily average but shall be reported on a quarterly basis.
- (e) Pursuant to 326 IAC 7-2-1(g) for SO₂, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 shall be used as the means for determining compliance with the emission limitations in 326 IAC 7. The other requirements of 326 IAC 7-2 shall not apply.
- (f) All continuous emission monitoring systems are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- (g) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring system pursuant to 326 IAC 3-5, 326 IAC 10-4, 40 CFR 60, or 40 CFR 75.

Gas-fired Auxiliary Boilers 1 and 2, and Insignificant Activity Boilers:

326 IAC 2-2-1 (PSD Minor Limit)

Pursuant to 326 IAC 2-2-1 (PSD Requirements), the following limitations and standards shall be met:

- (a) In order to make the requirements of 326 IAC 2-2-1(x) and 326 IAC 2-2-1(jj) (PSD Requirements) not applicable to Auxiliary Boilers 1 and 2, the nitrogen oxides (NO_x)

emissions from both of the auxiliary boilers shall be limited to less than 40 tons per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month.

- (b) The input of natural gas to both auxiliary boilers shall not exceed 285 MMCF per 12 consecutive month period, with compliance determined at the end of each month.
- (c) NO_x emissions shall not exceed 280 lb/MMCF.

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

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

$$Pt = \frac{0.87}{Q^{0.16}} \quad \text{Where } Q = \text{total source capacity (MMBtu/hr)}$$

Pursuant to 326 IAC 6-2-2(c), the emission limitations for those indirect heating facilities which began operation after June 8, 1972, and before September 21, 1983 shall be calculated using the above equation where Q includes the capacity for the facility in question and the capacities for those facilities which were previously constructed. For Auxiliary Boilers 1 and 2, $Q = 1638 \text{ MMBtu/hr} + 3374 \text{ MMBtu/hr} + 2.4 \text{ MMBtu/hr} + 0.78 \text{ MMBTU/hr} + (2)(99.9 \text{ MMBTU/hr}) = 5214.98 \text{ MMBTU/hr}$.

- (b) Pursuant to 326 IAC 6-2-2 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(b)), the PM emissions from the 2.4 MMBTU/hr main office building boiler and from the 0.778 MMBTU/hr EPSC building boiler shall not exceed 0.22 pound per million Btu heat input (lb/MMBTU). This limitation was calculated using the following equation:

$$Pt = \frac{0.87}{Q^{0.16}} \quad \text{Where } Q = \text{total source capacity (MMBTU/hr)}$$

Pursuant to 326 IAC 6-2-2(b), the emission limitations for those indirect heating facilities which were existing and in operation on or before June 8, 1972, shall be calculated using the above equation where Q shall reflect the total source capacity on June 8, 1972. For the main office building boiler and EPSC boiler, $Q = 1638 \text{ MMBTU/hr} + 3374 \text{ MMBTU/hr} + 2.4 \text{ MMBTU/hr} + 0.78 \text{ MMBTU/hr} = 5014.4 \text{ MMBTU/hr}$.

326 IAC 5-1-3 (Temporary Alternative Opacity Limitations)

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

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

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

326 IAC 7 (Sulfur Dioxide Emission Limitations)

Pursuant to 326 IAC 7-1.1-1(Applicability), the Auxiliary Boilers and the insignificant activity boilers are not subject to 326 IAC 7 because none of these units have the potential to emit twenty-five (25) tons per year or ten (10) pounds per hour of sulfur dioxide.

326 IAC 3-5 (Continuous Emissions Monitoring)

Pursuant to 326 IAC 3-5-1(b) (Continuous Monitoring of Emissions), Auxiliary Boilers 1 and 2 are not required to have any continuous monitoring systems because they are not subject to a New Source Performance Standard and the heat input capacity of each is less than 100 MMBTU/hr. Even if the stated heat input capacity is only a nominal capacity, and not the actual maximum capacity, continuous opacity monitoring is still not required for the auxiliary boilers because gaseous fuel is the only fuel combusted (326 IAC 3-5-1(c)(2)(A)(i)), and continuous monitoring of NO_x emissions is not required because no NO_x pollution control equipment has been installed (326 IAC 3-5-1(c)(2)(C)(i)).

Internal Combustion Units : Turbine Unit 10, Starter Engine for Unit 10, Insignificant Activities:

326 IAC 7-4-14 (Porter County Sulfur Dioxide Emission Limitations)

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

326 IAC 7, 326 IAC 2 (Sulfur Dioxide (SO₂))

- (a) Pursuant to 326 IAC 7-1.1-2 (Sulfur Dioxide Emission Limitations), the SO₂ emissions from the diesel-fired emergency generators and the diesel starter engine for Unit 10 shall not exceed 0.5 pounds per million Btu (lbs/MMBTU).
- (b) Pursuant to PC (64) 1816, issued March 15, 1990, the oil burned in the flue gas desulfurization (FGD) system emergency diesel generator shall have a maximum sulfur content of 0.3 percent (%).

326 IAC 2 (Hours of Operation Limit)

Pursuant to PC (64) 1816, operation of the FGD system emergency diesel generator shall be limited to 24 hours per month (288 hours per year).

326 IAC 3, 326 IAC 7-2, 326 IAC 7-1.1-2 (Sulfur Dioxide Emissions and Sulfur Content)

Compliance with the SO₂ and fuel sulfur limits shall be determined utilizing one of the following options:

- (a) Pursuant to 326 IAC 7-2-1(c), the Permittee shall demonstrate that the sulfur dioxide emissions from the emergency generators and from the diesel starter engine for Unit 10 do not exceed the equivalent of five-tenths (0.5) pound per million Btu heat input, and that the oil burned in the FGD system emergency diesel generator does not exceed a maximum sulfur content of 0.3 percent (%).
- (b) Pursuant to 326 IAC 7-2-1(e) and 326 IAC 3-7-4, fuel sampling and analysis data shall be collected as follows:
 - (1) The Permittee may rely upon vendor analysis of fuel delivered, if accompanied by a vendor certification [326 IAC 3-7-4(b)]; or,
 - (2) The Permittee shall perform sampling and analysis of fuel oil samples in accordance with 326 IAC 3-7-4(a).
 - (A) Oil samples shall be collected from the tanker truck load prior to transferring fuel to the storage tank; or
 - (B) Oil samples shall be collected from the storage tank immediately after each addition of fuel to the tank.

Coal Storage and Handling:

326 IAC 6-3-2 (Particulate)

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), for the coal processing at the maximum throughput rate of 1000 tons per hour, the concentration of particulate in the discharge gases to the atmosphere shall be less than 0.10 pounds per one thousand (1,000) pounds of gases.

FGD System Material Storage and Handling:

326 IAC 6-3-2 (Particulate)

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

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

$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour and} \\ P = \text{process weight rate in tons per hour.}$$

326 IAC 2 (Material Handling Requirements)

- (a) Pursuant to PC (64) 1816, issued March 15, 1990, the limestone to be used in the flue gas desulfurization system shall be pulverized to the necessary size off-site and received on-site in a ready to use condition. Lime and limestone shall be delivered to the site in enclosed pneumatic trucks and unloaded pneumatically into storage silos equipped with bin vent filters.
- (b) Dewatered gypsum will be transferred via an enclosed conveyor to an enclosed storage building.

326 IAC 2 (Fugitive Dust Plan)

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

- (a) A map illustrating the roadways required to be watered is attached to this permit as Appendix A. The roadways indicated on the map will be cleaned by water flushing at an applied rate of 5,000 gallons per mile on a once per week basis.
- (b) A high pressure water flushing truck will be used to wash the roadway surface.
- (c) The roadway will not be flushed under the following conditions:

- (1) A minimum of 0.1 inch of rainfall occurred during the preceding 24-hour period. The amount of rainfall will be determined by measurements representative of onsite conditions.
- (2) It is raining at the time of the scheduled water flushing.
- (3) The roadway is covered with snow or ice.
- (4) During periods of freezing temperatures. This condition will be determined by onsite temperature measurements.

Fly Ash Storage and Handling:

326 IAC 6-3-2 (Particulate)

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

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

$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour and} \\ P = \text{process weight rate in tons per hour.}$$

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

Bottom Ash Storage and Handling:

326 IAC 6-3-2 (Particulate)

All of the bottom ash is always processed wet. Therefore, there are no particulate emissions from these operations, and 326 IAC 6-3-2 is not applicable. If stored bottom ash is not sufficiently covered by water, then fugitive dust could occur.

326 IAC 6-4-2 (Fugitive Dust Emission Limitations)

Pursuant to 326 IAC 6-4-2:

- (a) Any ash storage pond 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;
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.

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.

Degreasing Operations:

326 IAC 8-3-2 (Organic Solvent Degreasing Operations: Cold Cleaner Operation)

Pursuant to 326 IAC 8-3-2 (Cold Cleaner Operations), for cold cleaning operations constructed after January 1, 1980, the Permittee shall:

- (a) Equip the cleaner with a cover;
- (b) Equip the cleaner with a facility for draining cleaned parts;
- (c) Close the degreaser cover whenever parts are not being handled in the cleaner;
- (d) Drain cleaned parts for at least fifteen (15) seconds or until dripping ceases;
- (e) Provide a permanent, conspicuous label summarizing the operation requirements;
- (f) Store waste solvent only in covered containers and not dispose of waste solvent or transfer it to another party, in such a manner that greater than twenty percent (20%) of the waste solvent (by weight) can evaporate into the atmosphere.

326 IAC 8-3-5 (Organic Solvent Degreasing Operations: Cold Cleaner Degreaser Operation and Control)

(a) Pursuant to 326 IAC 8-3-5(a) (Cold Cleaner Degreaser Operation and Control), for cold cleaner degreaser operations without remote solvent reservoirs, constructed after July 1, 1990, the Permittee shall ensure that the following control equipment requirements are met:

- (1) Equip the degreaser with a cover. The cover must be designed so that it can be easily operated with one (1) hand if:

- (A) The solvent volatility is greater than two (2) kiloPascals (fifteen (15) millimeters of mercury or three-tenths (0.3) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F));
 - (B) The solvent is agitated; or
 - (C) The solvent is heated.
- (2) Equip the degreaser with a facility for draining cleaned articles. If the solvent volatility is greater than four and three-tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six-tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), then the drainage facility must be internal such that articles are enclosed under the cover while draining. The drainage facility may be external for applications where an internal type cannot fit into the cleaning system.
- (3) Provide a permanent, conspicuous label which lists the operating requirements outlined in subsection (b).
- (4) The solvent spray, if used, must be a solid, fluid stream and shall be applied at a pressure which does not cause excessive splashing.
- (5) Equip the degreaser with one (1) of the following control devices if the solvent volatility is greater than four and three-tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six-tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), or if the solvent is heated to a temperature greater than forty-eight and nine-tenths degrees Celsius (48.9°C) (one hundred twenty degrees Fahrenheit (120°F)):
- (A) A freeboard that attains a freeboard ratio of seventy-five hundredths (0.75) or greater.
 - (B) A water cover when solvent is used is insoluble in, and heavier than, water.
 - (C) Other systems of demonstrated equivalent control such as a refrigerated chiller or carbon adsorption. Such systems shall be submitted to the U.S. EPA as a SIP revision.
- (b) Pursuant to 326 IAC 8-3-5(b) (Cold Cleaner Degreaser Operation and Control), the owner or operator of a cold cleaning facility construction of which commenced after July 1, 1990, shall ensure that the following operating requirements are met:
- (1) Close the cover whenever articles are not being handled in the degreaser.
 - (2) Drain cleaned articles for at least fifteen (15) seconds or until dripping ceases.
 - (3) Store waste solvent only in covered containers and prohibit the disposal or transfer of waste solvent in any manner in which greater than twenty percent (20%) of the waste solvent by weight could evaporate.

Additional Insignificant Activities:

326 IAC 6-3-2; 40 CFR 52 Subpart P (Particulate)

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

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

$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour and} \\ P = \text{process weight rate in tons per hour.}$$

Testing Requirements

Boilers, Units 7 and 8

By December 31 of the second calendar year following the most recent stack test, or within 180 days after issuance of this permit, whichever is later, compliance with the PM limitation for Boilers 7 and 8 shall be determined by performance stack tests conducted using methods as approved by the Commissioner. This testing shall be repeated by December 31 of every second calendar year following this valid compliance demonstration. Testing shall be conducted in accordance with Section C- Performance Testing.

For the purpose of this permit, "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

Auxiliary Boilers

No stack testing is believed to be warranted for these units at this time due to their infrequent operation and the use of natural gas as the only fuel.

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 Permittee, 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 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 Permittee's failure to take the appropriate corrective actions within a specific time period.

The compliance monitoring requirements applicable to the Bailly Station are as follows:

1. Each of the coal-fired Units 7 and 8 have the following applicable compliance monitoring condition:

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

- (a) The ability of the ESP to control particulate emissions shall be monitored once per 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.

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

- (a) In the event of emissions exceeding thirty percent (30%) average opacity for three (3) consecutive six (6) minute averaging periods, 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.
- (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, shall be considered a deviation from this permit.

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

- (a) Whenever the SO₂ continuous emission monitoring system is malfunctioning or down for repairs or adjustments, and the FGD system is in use, the Permittee shall monitor and record the feed rate to the absorber, pressure drop across the absorber, absorber pH, slurry density, percent (%) solids in slurry, and carbonate concentration in micromoles per liter, to demonstrate that the operation of the scrubber continues in a manner typical for the boiler load and sulfur content of the coal fired. Scrubber parametric monitoring readings shall be recorded at least one (1) time per hour until the primary CEM or a backup CEM is brought online.
- (b) Whenever the SO₂ continuous emission monitoring (CEM) system is malfunctioning or down for repairs or adjustments, and the FGD system is not in use, the following shall be used to provide information related to SO₂ emissions:
 - (1) If the CEM system is down for less than eight (8) hours, the Permittee shall substitute an average of the quality-assured data from the hour immediately before and the hour immediately after the missing data period for each hour of missing data.
 - (2) If the CEM system is down for eight (8) hours or more, fuel sampling shall be conducted as specified in 326 IAC 3-7-2(a) or (b), except that all samples shall

be collected after the bunker. Fuel sample preparation and analysis shall be conducted as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e). Pursuant to 326 IAC 3-7-3, manual or other non-ASTM automatic sampling and analysis procedures may be used upon a demonstration, submitted to the department for approval, that such procedures provide sulfur dioxide emission estimates representative either of estimates based on coal sampling and analysis procedures specified in 326 IAC 3-7-2 or of continuous emissions monitoring.

Note: Scrubber inspections were not required in the Part 70 permit at this time because use of the scrubber is voluntary. Any change which resulted in scrubber use becoming required could also require additional compliance monitoring.

These monitoring conditions are necessary to ensure compliance with 326 IAC 2-7 (Part 70).

2. Auxiliary Boilers 1 and 2 do not have any compliance monitoring requirements because they fire only natural gas and there is no emission control equipment.
3. Combustion Turbine Unit 10 does not have any compliance monitoring requirements because it fires only natural gas, there is no emission control equipment, and the unit is not subject to an NSPS or NESHAP. The diesel starter engine for Unit 10 and the diesel generator for the FGD system emergency quench pump do not have any compliance monitoring requirements because they have no emission control equipment, the actual particulate emissions are below 25 tons per year, and they are not subject to an NSPS or NESHAP.
4. The coal handling system for Units 7 and 8 has applicable compliance monitoring conditions as specified below:

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

- (a) Visible emission notations of the coal unloading station openings shall be performed once per shift during normal daylight operations when unloading coal. A trained employee shall record whether any emissions are observed.
- (b) Visible emission notations of the coal crusher baghouse exhausts shall be performed once per shift during normal daylight operations when the crusher is in operation. A trained employee shall record whether emissions are normal or abnormal.
- (c) If any visible emissions of dust are observed from the coal unloading station openings, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.
- (d) If abnormal emissions are observed at a coal crusher baghouse exhaust, 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.

- (e) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation.
- (f) 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.
- (g) 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.

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 each baghouse used in conjunction with the coal crushing at least once per shift when the corresponding coal crusher is in operation. 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.
- (b) The instrument used for determining the pressure 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.

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 coal processing or conveying. 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.

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) 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 to ensure compliance with 326 IAC 5, 326 IAC 6, and 326 IAC 2-7 (Part 70).

5. The FGD system materials handling systems have an applicable compliance monitoring condition as specified below:

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

- (a) Visible emission notations of each limestone storage silo vent filter exhaust shall be performed once per shift during normal daylight operations when transferring limestone to that silo. Visible emission notations of the lime storage silo filter exhaust shall be performed once per shift during normal daylight operations when transferring lime. A trained employee shall record whether emissions are normal or abnormal.
- (b) If abnormal emissions are observed from a limestone silo or lime silo exhaust, 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.

This monitoring condition is necessary to ensure compliance with 326 IAC 5, 326 IAC 6, and 326 IAC 2-7 (Part 70).

6. The fly ash handling and storage operations have an applicable compliance monitoring condition as specified below:

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

- (a) Visible emission notations of the ash silo unloading station openings shall be performed at least once per shift during normal daylight operations when ash is being unloaded. A trained employee shall record whether any emissions are observed.

- (b) Visible emission notations of the ash silo bin vent filter exhaust, and the nozzle of the telescoping chute shall be performed at least once per shift during normal daylight operations when transferring ash. A trained employee shall record whether emissions are normal or abnormal.
- (c) If any visible emissions of ash are observed from the ash silo unloading station openings, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.
- (d) If abnormal emissions are observed at the bin vent filter exhaust or from the nozzle of the telescoping chute, the Permittee shall take reasonable response steps 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.
- (e) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation.
- (f) 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.
- (g) 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.

This monitoring condition is necessary to ensure compliance with 326 IAC 6-4, and 326 IAC 2-7 (Part 70).

- 7. The bottom ash handling and storage operations have an applicable compliance monitoring condition as specified below:

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

- (a) Visible emission notations of the ash storage pond area(s) and any bottom ash storage piles shall be performed at least once per day during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.
- (b) 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.
- (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.

This monitoring condition is necessary to ensure compliance with 326 IAC 6-4, and 326 IAC 2-7 (Part 70).

Conclusion

The operation of this electric utility generating station shall be subject to the conditions of the attached proposed **Part 70 Permit No. T127-6635-00002**.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
Office of Air Quality

Appendix A to Technical Support Document (TSD):
Technical Support Document for the NO_x Budget Permit

Source Background and Description

Source Name: Northern Indiana Public Service Company (NIPSCO)
Bailey Generating Station
Source Location: 246 Bailey Station Road, Chesterton, Indiana 46304
Operated By: Northern Indiana Public Service Company
Owned By: Northern Indiana Public Service Company
ORIS Code: 995
Operation Permit No.: T127-6635-00002
Permit Reviewer for NO_x Budget Permit: Rebecca Mason

NO_x Budget Permit Application and Rule Applicability

A complete NO_x Budget Permit Application for this NO_x budget source was received on September 2, 2003. The Office of Air Quality (OAQ) has reviewed a NO_x budget permit application from Northern Indiana Public Service Company (NIPSCO) Bailey 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) cyclone coal-fired boiler, identified as Unit 7, with construction completed in 1962, with a design heat input capacity of 1638 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil will be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Unit 7 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.
- (b) One (1) cyclone coal-fired boiler, identified as Unit 8, with construction completed in 1968, with a design heat input capacity of 3374 million Btu per hour, with an electrostatic precipitator (ESP) system for control of particulate matter. A wet limestone flue gas desulfurization system serves both Unit 7 and 8 for control of sulfur dioxide. Natural gas and/or No. 2 fuel oil will be fired during startup, shutdown, and malfunctions; the unit can also generate electricity while combusting natural gas only. Construction of a selective catalytic reduction (SCR) system on Unit 8 began in 2003. Unit 8 has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system. Scrubbed emissions from Units 7 and 8 are exhausted through Stack CS001. Non-scrubbed emissions from Units 7 and 8 are exhausted through the bypass stack, Stack CS002.

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

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 general 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 department 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.

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

NIPSCO Bailly Generating Station
Chesterton, Indiana
NO_x Budget Permit Reviewer: Rebecca Mason

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Washington, D.C. 20402
or
on the Government Printing Office web site at
<http://www.access.gpo.gov/nara/cfr/index.html>

**TSD Appendix B: Emission Calculations
Natural Gas Combustion Only
MMBTU/HR >100**

Auxiliary Boilers 1 and 2

Company Name: NIPSCO - Bailly Generating Station
Address City IN Zip: 246 Bailly Station Road, Chesterton, Indiana 46320
Permit Number / Plt ID: T 127-6635-00002
Reviewer: V. Cordell
Date: 21-Jan-04

Heat Input Capacity MMBtu/hr	Potential Throughput MMCF/yr
199.8	1750.2

Emission Factor in lb/MMCF	Pollutant					
	PM*	PM10*	SO2	NOx	VOC	CO
	1.9	7.6	0.6	280.0 **see below	5.5	84.0
Potential Emission in tons/yr	1.7	6.7	0.5	245.0	4.8	73.5
Limited PTE at 285 MMCF/yr, tons/yr	0.3	1.1	0.1	39.9	0.8	12.0

Note: The nominal capacity of each aux boiler is 99.9 MMBtu/hr. The emission factors for gas-fired boilers greater than 100 MMBtu/hr were used due to uncertainty regarding the actual maximum capacity, and to be conservative in deriving the fuel use limit.

*PM emission factor is filterable PM only. PM10 emission factor is condensable and filterable PM10 combined.

**Emission Factors for NOx: Uncontrolled = 280 (pre-NSPS) or 190 (post-NSPS), Low NOx Burner = 140, Flue gas recirculation = 100

Methodology

All emission factors are based on normal firing.

MMBtu = 1,000,000 Btu

MMCF = 1,000,000 Cubic Feet of Gas

Potential Throughput (MMCF) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu

Emission Factors from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, and 1.4-3, SCC #1-01-006-01, 1-01-006-04 (AP-42 Supplement D 3/98)

Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton

See page 2 for HAPs emissions calculations.

**TSD Appendix B: Emission Calculations
 Natural Gas Combustion Only
 MMBTU/HR >100
 HAPs Emissions**

Auxiliary Boilers 1 and 2

Company Name: NIPSCO - Bailly Generating Station
Address City IN Zip: 246 Bailly Station Road, Chesterton, Indiana 46320
Permit Number / Plt ID: T 127-6635-00002
Reviewer: V. Cordell
Date: 21-Jan-04

HAPs - Organics					
	Benzene	Dichlorobenzene	Formaldehyde	Hexane	Toluene
Emission Factor in lb/MMCF	2.1E-03	1.2E-03	7.5E-02	1.8E+00	3.4E-03
Potential Emission in tons/yr	1.84E-03	1.05E-03	6.56E-02	1.58E+00	2.98E-03
Limited PTE at 285 MMCF/yr, tons/yr	2.62E-04	1.50E-04	9.35E-03	2.24E-01	4.24E-04

HAPs - Metals					
	Lead	Cadmium	Chromium	Manganese	Nickel
Emission Factor in lb/MMCF	5.0E-04	1.1E-03	1.4E-03	3.8E-04	2.1E-03
Potential Emission in tons/yr	4.38E-04	9.63E-04	1.23E-03	3.33E-04	1.84E-03
Limited PTE at 285 MMCF/yr, tons/yr	6.24E-05	1.37E-04	1.75E-04	4.74E-05	2.62E-04

Methodology is the same as page 1.

The five highest organic and metal HAPs emission factors are provided above.

Additional HAPs emission factors are available in AP-42, Chapter 1.4.

**Appendix B: Emission Calculations
Internal Combustion Engines
Diesel Fuel, up to 600 hp**

Generator for FGD System Emergency Quench Pump

Company Name: NIPSCO - Bailly Generating Station
Address City IN Zip: 246 Bailly Station Road, Chesterton, Indiana 46320
Permit Number / Plt ID: T 127-6635-00002
Reviewer: V. Cordell
Date: 23-Jan-04

Emissions calculated based on output rating (hp)

Heat Input Capacity Potential Throughput
Horsepower (hp) hp-hr/yr

500 4380000

Emission Factor in lb/hp-hr	Pollutant					
	PM*	PM10*	SO2	NOx	VOC	CO
	2.20E-03	2.50E-03	2.05E-03	0.031	0.0025	6.68E-03
Potential Emission in tons/yr	4.82	5.48	4.49	67.89	5.51	14.63
Limited PTE at 288 hrs/yr, in tons/yr	0.16	0.18	0.15	2.23	0.18	0.48

Methodology

Potential Throughput (hp-hr/yr) = hp * 8760 hr/yr
Emission Factors are from AP-42 (Supplement B 10/96), Table 3.3-1
Emission (tons/yr) = [Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu)] * 8760 hr/yr / (2,000 lb/ton)
Emission (tons/yr) = [Potential Throughput (hp-hr/yr) x Emission Factor (lb/hp-hr)] / (2,000 lb/ton)
*PM emission factors are assumed to be equivalent to PM10 emission factors. No information was given regarding which method was used to determine the factor or the fraction of PM10 which is condensable.