



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: July 18, 2006
RE: NIPSCO / 091-6637-00021
FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval – Effective Immediately

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

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

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

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

The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

- (1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
- (2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
- (3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

- (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) Michigan City Generating Station 101 North Wabash Street Michigan City, Indiana 46360

(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.: T091-6637-00021	
Original signed by: Nisha Sizemore, Permits Branch Chief Office of Air Quality	Issuance Date: July 18, 2006 Expiration Date: July 18, 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, Electric Generation
Source Address: 101 North Wabash Street, Michigan City, Indiana 46360
Mailing Address: Arthur E. Smith, 801 East 86th Avenue, Merrillville, Indiana 46410
Source Telephone: 219-647-5252
SIC Code: 4911
County Location: LaPorte
Source Location Status: Nonattainment for ozone under the 8-hour standard
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) Three (3) natural gas-fired boilers, identified as Boiler 4, Boiler 5, and Boiler 6, each with a design heat input capacity of 482 million Btu per hour (MMBtu/hr), exhausting to Stack 1, Stack 2, and Stack 3, respectively, each with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x). Installation of Boilers 4 and 5 was completed in 1950 and installation of Boiler 6 was completed in 1951.
- (b) One (1) cyclone coal-fired boiler, identified as Boiler 12, with a design heat input capacity of 4650 million Btu per hour (MMBtu/hr), with construction completed in May 1974, with an electrostatic precipitator (ESP) with a flue gas conditioning (FGC) system for control of particulate matter, exhausting to Stack 4. Natural gas can be fired during startup, shutdown, and malfunctions. Boiler 12 has a selective catalytic reduction (SCR) system for NO_x control, and has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system.
- (c) One (1) natural gas-fired auxiliary boiler, identified as AUX1, rated at 109 million Btu per hour (MMBtu/hr), installed in 2003, equipped with low NO_x burners, exhausting to Stack AUX1, with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x).
- (d) A coal storage and handling system for Boiler 12, completed before May 1974.
 - (1) One (1) railcar unloading station with particulate emissions controlled by wet suppression and partial enclosure, with a maximum throughput of 1500 tons of coal per hour.

- (2) An enclosed conveyor system to the coal storage pile(s), 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) and coal pile reclaim, with fugitive dust emissions controlled by compaction and wet suppression.
 - (4) Coal conveyors and the coal junction house, with carryover wet suppression, additional wet suppression and/or foam application, and enclosed transfer points.
 - (5) Coal crusher house, with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.
 - (6) Coal sample house/breaker building with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.
 - (7) Coal tripper floor to coal bunkers, with a baghouse for PM control, with enclosure for ancillary dust control.
- (e) Dry fly ash handling, installed in 1997, including the following:
- (1) Vacuum conveyance of fly ash to a storage silo with particulate emissions controlled by a bin vent filter, with a design throughput rate of 9.3 tons per hour.
 - (2) One (1) enclosed fly ash silo unloading station with a design unloading capacity of 200+ tons per hour, used to load dry fly ash to covered trucks, with particulate emissions controlled by the use of a telescoping chute with a vacuum system and a bin vent filter. Overhead doors with an interlock system are closed when ash trucks are being loaded.
- (f) Wet process bottom ash handling installed in approximately 1950, 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) 480,000 BTU boiler in the "A" Building, installed in 1970; one (1) 480,000 BTU boiler in the Gate House, installed in 1964, and one (1) 297,000 BTU boiler, installed in 1953 in the Relay House (Substation Bldg. #G15), each used for building heat. [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]
- (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 (100EF) or;
 - (2) Having a vapor pressure equal to or less than 0.7 kPa; 5mm Hg; or 0.1 psi measured at 20EC (68EF); the use of which for all cleaners and solvents combined does not exceed 145 gallons per 12 months.

- (d) Conveyors as follows: Underground conveyors. [326 IAC 6-3]
- (e) Coal bunker and coal scale exhausts and associated dust collector vents. [326 IAC 6-3]
- (f) 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]
- (g) Vents from ash transport systems not operated at positive pressure. [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:
 - Source-wide paved roads (vehicle traffic). [326 IAC 6-4]
 - Coal pile wind erosion. [326 IAC 6-4]
 - Ponded bottom ash handling and removal. [326 IAC 6-4]
 - 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)] [IC13-15-3-6(a)]

- (a) This permit, T091-6637-00021, is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit or of permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).
- (b) If IDEM, OAQ, upon receiving a timely and complete renewal permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.

B.3 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.

B.4 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.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 the "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) The "responsible official" is defined at 326 IAC 2-7-1(34).

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

- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. The initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year. All subsequent certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted 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 issuance 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.
- (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, or the IDEM Northwest Regional Office, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or
Telephone Number: 317-233-0178 (ask for Compliance Section), or
Facsimile Number: 317-233-6865, or

Northwest Regional Office Telephone Number: 1-219-757-0265, or
Northwest Regional Office Facsimile Number: 1-219-757-0267.
 - (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 date of permit issuance, provided that either the applicable requirements are included and specifically identified in this permit or the permit contains an explicit determination or concise summary of a determination that other specifically identified requirements are not applicable. The Indiana statutes from IC 13 and rules from 326 IAC, referenced in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a Part 70 permit under 326 IAC 2-7 or for applicable requirements for which a permit shield has been granted.

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

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

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

- (a) All terms and conditions of permits established prior to T091-6637-00021 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 combined permit, all previous registrations and permits are superseded by this combined new source review and Part 70 operating permit, except for permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

B.14 Deviations from Permit Requirements and Conditions [326 IAC 2-7-5(3)(C)(ii)]

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

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

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. A deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report.

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

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

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

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-7-5(6)(C)] The notification by the Permittee does require the certification by the Aresponsible official as defined by 326 IAC 2-7-1(34).
- (b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ, determines any of the following:
- (1) That this permit contains a material mistake.
 - (2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.
 - (3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-7-9(a)(3)]
- (c) Proceedings by IDEM, OAQ, to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-7-9(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-7-9(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ, may provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(a)]

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

- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ, and shall include the information specified in 326 IAC 2-7-4. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require the certification by the Aresponsible official as defined by 326 IAC 2-7-1(34).

Request for renewal shall be submitted to:

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

- (b) A timely renewal application is one that is:
- (1) Submitted at least nine (9) months prior to the date of the expiration of this permit; and
 - (2) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (c) If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by a reasonable deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application. [326 IAC 2-7-4(a)(2)(D) and (E)]

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

- (a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the IDEM, OAQ prior to making any modification to the source. Pursuant to 326 IAC 1-2-42, a 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 aresponsible official@ as defined by 326 IAC 2-7-1(34).
- (c) The Permittee shall also comply with the applicable provisions of 326 IAC 2-7-11 (Administrative Permit Amendments) or 326 IAC 2-7-12 (Permit Modification) prior to operating the approved modification.
- (d) Any modification at an existing major source in an area designated as attainment or unclassifiable is governed by the requirements of 326 IAC 2-2-2.

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

- (a) Permit amendments and modifications are governed by the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 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 emission increases and decreases at the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).
- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.
- (e) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.
- (f) This condition does not apply to emission trades of 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 13-17-3-2] [IC 13-30-3-1]

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

- (a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy any records that must be kept under the conditions of this permit;
- (c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

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

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

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

The application which shall be submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

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

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

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

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

B.25 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).

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 required to be submitted to IDEM, OAQ 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 of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

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

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

The notification which shall be submitted by the Permittee does require the certification by the 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, except as otherwise allowed by 326 IAC 3-5.
- (b) All COMS shall meet the performance specifications of 40 CFR 60, Appendix B, Performance Specification No. 1, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5.
- (c) In the event that a breakdown of a COMS occurs, a record shall be made of the time and reason of the breakdown and efforts made to correct the problem.
- (d) Whenever a COMS is malfunctioning or is down for maintenance or repairs for a period of twenty-four (24) hours or more and a backup COMS is not online within twenty-four (24) hours of shutdown or malfunction of the primary COMS, the Permittee shall provide a certified opacity reader, who may be an employee of the Permittee or an independent contractor, to self-monitor the emissions from the emission unit stack.
 - (1) Visible emission readings shall be performed in accordance with 40 CFR 60, Appendix A, Method 9, for a minimum of five (5) consecutive six (6) minute averaging periods beginning not more than twenty-four (24) hours after the start of the malfunction or down time.
 - (2) Method 9 opacity readings shall be repeated for a minimum of five (5) consecutive six (6) minute averaging periods at least twice per day during daylight operations, with at least four (4) hours between each set of readings, until 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 prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures on December 28, 1979.
- (b) Upon direct notification by IDEM, OAQ that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]
- (c) To ensure that current ERPs are readily available, the Permittee shall review the ERPs, update if necessary, and resubmit 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 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.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 (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 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 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 permit issuance.
- (c) Pursuant to 326 IAC 2-2-8(b) and/or 326 IAC 2-3-2(m), if there is a reasonable possibility that a Aproject@ (as defined in 326 IAC 2-2-1(qq) and/or 326 IAC 2-3-1(II)) at an existing emissions unit, other than projects at a Clean Unit, which is not part of a Amajor modification@ (as defined in 326 IAC 2-2-1(ee) and/or 326 IAC 2-3-1(z)) may result in a significant emissions increase and the Permittee elects to use the Aprojected 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(II)) 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 (NSR) 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 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 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 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.
- (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(II)) 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
Compliance Branch, 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(II)) 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 a project at an existing emissions unit other than an 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
Compliance Branch, 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. [326 IAC 2-2-8(c) and/or 326 IAC 2-3-2(m)(6)]

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]

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).

SECTION D.1

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (a) Three (3) natural gas-fired boilers, identified as Boiler 4, Boiler 5, and Boiler 6, each with a design heat input capacity of 482 million Btu per hour (MMBtu/hr), exhausting to Stack 1, Stack 2, and Stack 3, respectively, each with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x). Installation of Boilers 4 and 5 was completed in 1950 and installation of Boiler 6 was completed in 1951.

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

Evaporation of boiler chemical cleaning liquids.

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

D.1.1 Sulfur Dioxide (SO₂) [326 IAC 7-4-5]

Pursuant to 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations), the SO₂ emissions from Boilers 4, 5 and 6 shall not exceed the following:

- | | | |
|-----|--------------------------------------|---------------------|
| (a) | If only one (1) unit is in operation | 2.2 lb/MMBtu |
| (b) | If two (2) units are in operation | 1.11 lb/MMBtu each |
| (c) | If three (3) units are in operation | 0.74 lb/MMBtu each. |

D.1.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-1(g)]

Pursuant to 326 IAC 6-2-1(g) (Particulate Emission Limitations for Sources of Indirect Heating), the PM emissions from Boilers 4, 5, and 6 shall not exceed 0.24 pound per million Btu heat input (lb/MMBtu).

D.1.3 Temporary Alternative Opacity Limitations [326 IAC 5-1-3]

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

- (a) 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. 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.

Compliance Determination Requirements

D.1.4 Continuous Emissions Monitoring [326 IAC 10-4] [40 CFR 75]

Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring system pursuant to 326 IAC 10-4 or 40 CFR 75.

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

D.1.5 Record Keeping Requirements

- (a) Pursuant to 326 IAC 7-4-5(4)(A) (LaPorte County sulfur dioxide emission limitations), a log of hourly operating status for Boilers 4, 5, and 6 shall be maintained and made available to the department upon request.
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.6 Reporting Requirements

Pursuant to 326 IAC 7-4-5(4)(C) (LaPorte County sulfur dioxide emission limitations), for periods when natural gas is the only fuel being burned in Boilers 4, 5, or 6, the reporting required to demonstrate compliance with Condition D.1.1 shall be satisfied by indicating that natural gas was the only fuel burned. No reporting of sulfur dioxide emission rates is necessary for these periods.

A quarterly report affirming that natural gas is the only fuel fired in Boilers 4, 5, and 6 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).

SECTION D.2

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (b) One (1) cyclone coal-fired boiler, identified as Boiler 12, with a design heat input capacity of 4650 million Btu per hour (MMBtu/hr), with construction completed in May 1974, with an electrostatic precipitator (ESP) with a flue gas conditioning (FGC) system for control of particulate matter, exhausting to Stack 4. Natural gas can be fired during startup, shutdown, and malfunctions. Boiler 12 has a selective catalytic reduction (SCR) system for NO_x control, and has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system.

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

Evaporation of boiler chemical cleaning liquids.

D.2.0 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 Boiler 12. Compliance with the terms of this permit does not serve as proof of compliance for Boiler 12 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.2.1 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(c)), the PM emissions from Boiler 12 shall not exceed 0.24 pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

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

- Where:
- | | | |
|----|---|---|
| C | = | 50 micrograms per cubic meter (μ/m^3) |
| Pt | = | Pounds of particulate matter emitted per million Btu heat input (lb/MMBtu). |
| Q | = | Total source maximum operating capacity rating in million Btu per hour (MMBtu/hr) heat input. |
| N | = | Number of stacks in fuel burning operation. |
| a | = | 0.8, for Q greater than 1,000 MMBtu/hr heat input. |
| h | = | Stack height in feet. |

Pursuant to 326 IAC 6-2-3(b), 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, N, and h shall include the parameters for the facility in question and for those facilities which were previously constructed.

D.2.2 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:
- (1) When building a new fire in a boiler, opacity may exceed the applicable limit established in 326 IAC 5-1-2 for a period not to exceed a cumulative total of thirty (30) minutes (five (5) 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 limit established in 326 IAC 5-1-2 for a period not to exceed a cumulative total of thirty (30) minutes (five (5) six (6)-minute averaging periods) during the shutdown period.
 - (3) Operation of the electrostatic precipitator is not required during these times.
 - (4) NIPSCO shall avoid, whenever possible, cold startups on Boiler 12 when the wind direction is such that excess emissions would be carried over the adjacent boat harbor. NIPSCO shall notify the OAQ by telephone twenty-four (24) hours prior to a cold startup (boiler off line more than 72 hours) of Boiler 12.
- (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.

D.2.3 Sulfur Dioxide (SO₂) [326 IAC 7-4-5]

Pursuant to 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations), the SO₂ emissions from Boiler 12 shall not exceed 6.0 lbs/MMBtu, based on a 30-day rolling weighted average pursuant to 326 IAC 7-2-1.

Compliance Determination Requirements

D.2.4 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 issuance of this permit, whichever is later, compliance with the PM limitation in Condition D.2.1 shall be determined by a performance stack test conducted using Method 5 or other 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, a calendar year@ means the twelve (12) month period from January 1 to December 31 inclusive.

D.2.5 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) shall be operated at all times that Boiler 12 is firing coal. The flue gas conditioning (FGC) system shall be used with the ESP as necessary to maintain compliance with this permit.

D.2.6 Continuous Emissions Monitoring [326 IAC 3-5]

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), a continuous emissions monitoring system (CEMS) for Boiler 12 shall be calibrated, maintained, and operated for measuring opacity, which meets all applicable performance specifications of 326 IAC 3-5-2.
- (b) If the Permittee notifies the IDEM that CEMS data will be used pursuant to 326 IAC 7-2-1(g) instead of fuel sampling and analysis, then pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), a CEMS for Boiler 12 shall be calibrated, maintained, and operated for measuring SO₂, which meets all applicable performance specifications of 326 IAC 3-5-2.
- (c) All CEMS are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- (d) Pursuant to 326 IAC 3-5-4, if revisions are made to the continuous monitoring standard operating procedures (SOP), the Permittee shall submit updates to the department biennially.
- (e) 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.

D.2.7 Sulfur Dioxide Emissions and Sulfur Content [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

- (a) Pursuant to 326 IAC 7-2-1(c), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the equivalent of 6.0 lbs/MMBtu, using a thirty (30) day rolling weighted average.
- (b) Pursuant to 326 IAC 7-2-1(e) and 326 IAC 3-7, coal sampling and analysis data shall be collected as follows:
 - (1) Coal sampling shall be performed using the methods specified in 326 IAC 3-7-2(a), and sample preparation and analysis shall be performed as specified in 326 IAC 3-7-2(c), (d), and (e); or
 - (2) 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.
 - (3) Pursuant to 326 IAC 3-7-5(a), the Permittee shall develop a standard operating procedure (SOP) to be followed for sampling, handling, analysis, quality control, quality assurance, and data reporting of the information collected pursuant to 326 IAC 3-7-2 through 326 IAC 3-7-4. In addition, any revision to the SOP shall be submitted to IDEM, OAQ.
- (c) Upon written notification to IDEM by a facility owner or operator, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance with the emission limitations in 326 IAC 7. Upon such notification, the other requirements of 326 IAC 7-2 shall not apply. [326 IAC 7-2-1(g)]

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

D.2.8 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 ninety percent (90%). T-R set failure resulting in less than ninety percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

D.2.9 Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) In the event of emissions exceeding thirty-five percent (35%) 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-five percent (35%). Examples of expected response steps include, but are not limited to, boiler loads being reduced and ESP T-R sets being returned to service.
- (b) Opacity readings in excess of thirty-five percent (35%) 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.2.10 SO₂ Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the automatic coal sampling system is malfunctioning or down for repairs or adjustments for twenty-four (24) hours or more, the following shall be used to provide information related to SO₂ emissions:

- (a) 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.
- (b) 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:
 - (1) 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.
 - (2) If the CEM system is down for twenty-four (24) hours or more, fuel sampling shall be conducted as specified in part (a) of this condition, above.

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

D.2.11 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.2.1, D.2.2, D.2.6, D.2.8, and D.2.9, 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.2.1 and D.2.2.
- (1) Data and results from the most recent stack test.
 - (2) All continuous opacity monitoring data, pursuant to 326 IAC 3-5-6.
 - (3) The results of all Method 9 visible emission readings taken during any periods of COM downtime.
 - (4) All ESP parametric monitoring readings.
- (b) To document compliance with SO₂ Conditions D.2.3, D.2.7, and D.2.10, the Permittee shall maintain records in accordance with (1) or (2) below. Records shall be complete and sufficient to establish compliance with the SO₂ limit as required in Conditions D.2.3 and D.2.7.
- (1) If the Permittee routinely uses fuel sampling and analysis pursuant to 326 IAC 7-2-1, then records shall be maintained in accordance with (A) and (B), below.
 - (A) All fuel sampling and analysis data, pursuant to 326 IAC 7-2, and data collected in accordance with Condition D.2.10.
 - (B) Actual fuel usage since last compliance determination period.
 - (2) If the Permittee routinely uses SO₂ continuous emission monitoring pursuant to 326 IAC 7-2-1(g), then records shall be maintained in accordance with (A), (B), and (C), below.
 - (A) All SO₂ continuous emissions monitoring data, pursuant to 326 IAC 3-5-6 and 326 IAC 7-2-1(g).
 - (B) All fuel sampling and analysis data collected for SO₂ CEMS downtime, in accordance with Condition D.2.10.
 - (C) Actual fuel usage during each SO₂ CEMS downtime.
- (c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.12 Reporting Requirements

- (a) A quarterly report of opacity exceedances 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).
- (b) Pursuant to 326 IAC 7-2-1, the Permittee shall submit reports in accordance with (1) or (2) below.
- (1) If the Permittee routinely uses fuel sampling and analysis pursuant to 326 IAC 7-2-1, a quarterly report of the thirty (30) day rolling weighted average sulfur dioxide emission rate in pounds per million Btus, and records of the daily average coal sulfur content, coal heat content, weighing factor, and daily average sulfur dioxide

emission rate in pounds per million Btus 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. [326 IAC 7-2-1(c)(1)]

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

- (2) If the Permittee routinely uses SO₂ continuous emission monitoring pursuant to 326 IAC 7-2-1(g), a quarterly summary of the information to document compliance with Conditions D.2.3 and D.2.6 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).

- (c) Pursuant to 326 IAC 3-5-7(5), reporting of continuous monitoring system instrument downtime, except for zero (0) and span checks, which shall be reported separately, shall include the following:

- (1) Date of downtime.
- (2) Time of commencement.
- (3) Duration of each downtime.
- (4) Reasons for each downtime.
- (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.3 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]: (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (c) One (1) natural gas-fired auxiliary boiler, identified as AUX1, rated at 109 million Btu per hour (MMBtu/hr), installed in 2003, equipped with low NO_x burners, exhausting to Stack AUX1, with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x).

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

D.3.1 New Source Performance Standard (NSPS) [326 IAC 12] [40 CFR 60, Subpart Db] [326 IAC 6-2-1(f)]

Pursuant to 326 IAC 12 and 40 CFR 60, Subpart Db (Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units), emissions from the auxiliary boiler AUX 1 shall not exceed the following:

One-tenths (0.10) pound NO_x per million Btu (MMBtu) heat input for a low heat release rate.

Pursuant to 40 CFR 60.44b(i), except as provided under 40 CFR 60.44b(j), compliance with this NO_x emission limit is determined on a 30-day rolling average basis.

D.3.2 Nitrogen Oxides Emission Limitation [326 IAC 2-1.1-5] [326 IAC 2-2]

The NO_x emissions from the auxiliary boiler (AUX1) shall not exceed 36.8 tons per twelve (12) consecutive month period with compliance determined at the end of each month. Compliance with this limit shall render the requirements of Major New Source Review not applicable to the auxiliary boiler (AUX1).

D.3.3 National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters [326 IAC 20-1] [40 CFR Part 63, Subpart DDDDD]

- (a) The auxiliary boiler AUX1 is an existing affected source for the large gaseous fuel subcategory, and is subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers and Process Heaters, (40 CFR 63, Subpart DDDDD), as of the effective date of 40 CFR 63, Subpart DDDDD. Pursuant to this rule, the Permittee must comply with 40 CFR 63, Subpart DDDDD on and after three years after the date of publication of the final rule for 40 CFR 63, Subpart DDDDD in the Federal Register.
- (b) The applicable Subpart DDDDD requirement for the large gaseous fuel subcategory is submittal of an Initial Notification containing the information specified in 40 CFR 63.9(b)(2) not later than March 12, 2005. The Initial Notification for AUX1 was received on December 22, 2004.
- (c) The definitions of 40 CFR 63, Subpart DDDDD at 40 CFR 63.7575 are applicable to the affected source.

D.3.4 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-4]

Pursuant to 326 IAC 6-2-4 (Particulate Emissions Limitations for Facilities Constructed after September 21, 1983) the particulate emissions from the one (1) auxiliary boiler, rated at 109 million British thermal units per hour, shall be limited to 0.112 pound per million British thermal units heat input.

This limitation is based on the following equation:

$$Pt = 1.09/Q^{0.26}$$

where:

Pt = Pounds of particulate matter emitted per million British thermal units (lb/MMBtu) heat input

Q = Total source maximum operating capacity rating in million British thermal units per hour (MMBtu/hr) heat input.

D.3.5 Temporary Alternative Opacity Limitations [326 IAC 5-1-3]

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

- (a) When building a new fire in a boiler, or shutting down a boiler, opacity may exceed the forty percent (40%) opacity limit established in 326 IAC 5-1-2. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period. Opacity in excess of forty percent (40%) 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.

D.3.6 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR 60, Subpart A]

The provisions of 40 CFR 60 Subpart A - General Provisions, which are incorporated as 326 IAC 12-1, apply to the facility described in this section except when otherwise specified in 40 CFR 60 Subpart Db.

D.3.7 General Provisions Relating to NESHAP [326 IAC 20-1] [40 CFR Part 63, Subpart A]

The provisions of 40 CFR 63 Subpart A - General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the affected source, as designated by 40 CFR 63.7506(b), except when otherwise specified in 40 CFR 63 Subpart DDDDD. The Permittee must comply with these requirements on and after the effective date of 40 CFR 63, Subpart DDDDD.

Compliance Determination Requirements

D.3.8 NSPS Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart Db]

- (a) The NO_x emission limitation in Condition D.3.1 applies at all times, including periods of startup, shutdown, and malfunction.
- (b) Compliance with the NO_x emission limitation in Condition D.3.1 shall be determined by the methods and procedures specified in 40 CFR 60.46b(e).

D.3.9 Continuous Emissions Monitoring [326 IAC 3-5] [326 IAC 12] [40 CFR 60, Subpart Db]

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and 40 CFR 60.47b and 60.48b (for Subpart Db), a continuous emissions monitoring system (CEMS) shall be calibrated, maintained, and operated for measuring NO_x and either CO₂ or O₂ from Stack AUX1 which meets the performance specifications of 326 IAC 3-5-2 and 3-5-3.
- (b) Pursuant to 326 IAC 3-5-1(d)(1), the Permittee is required to use a CEMS to demonstrate compliance with Condition D.3.2 as allowed under the Clean Air Act and 326 IAC 3-5.
 - (1) The CEMS shall measure NO_x emissions rates in pounds per hour and/or pounds per million British thermal units.
 - (2) The CEMS shall be in operation at all times when the auxiliary boiler (AUX1) is in operation.

- (c) Pursuant to 326 IAC 3-5-4, if revisions are made to the continuous monitoring standard operating procedures (SOP), the Permittee shall submit updates to the department biennially.
- (d) 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 or 40 CFR 60.

D.3.10 CEMS Missing Data Substitution [326 IAC 2-2] [326 IAC 2-1.1-5]

In order to demonstrate compliance with Condition D.3.2, whenever the NO_x CEMS is malfunctioning or is down for maintenance or repairs, until a NO_x CEMS is brought back online, the Permittee shall calculate the hourly NO_x emission rate using the following fuel usage equation, which includes the NO_x emission rate limit required in Condition D.3.1 and a maximum fuel heat content of 1,030 million British thermal units per million cubic foot of natural gas:

$$\text{NO}_x \text{ emissions (lbs/hr)} = \text{natural gas usage (MMCF/hr)} * 0.1 \text{ (lbs/mmBtu)} * 1,030 \text{ (mmBtu/MMCF)}$$

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

D.3.11 Record Keeping Requirements

- (a) To document compliance with Conditions D.3.1 and D.3.8, the Permittee shall maintain records in accordance with 40 CFR 60.49b(g).
- (b) To document compliance with Condition D.3.2, the Permittee shall maintain records of the monthly NO_x emissions from the auxiliary boiler (AUX1).
- (c) Records for the CEMS shall be maintained in accordance with 326 IAC 3-5-6.
- (d) To document compliance with Condition D.3.10, the Permittee shall maintain records of the natural gas usage for AUX1, in MMCF, for each hour until a NO_x CEMS is back online.
- (e) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.3.12 Reporting Requirement

- (a) Pursuant to 40 CFR 60, Subpart Db (Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units):
 - (1) To document compliance with the NO_x limit of Condition D.3.1, the Permittee shall submit reports in accordance with 40 CFR 60.49b(i).
 - (2) The Permittee shall report the date of any performance testing for Subpart Db at least 30 days prior to such date.
- (b) A quarterly summary of the information to document compliance with Condition D.3.2 shall be submitted using the reporting form located at the end of this permit, or its equivalent, within thirty (30) days after the end of the quarter being reported.
- (c) All notifications and reports for 40 CFR 60 Subpart Db and for Condition D.3.2 shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251
- (d) The notifications and reports for 40 CFR 60 Subpart Db and for Condition D.3.2 require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

SECTION D.4

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (d) A coal storage and handling system for Boiler 12, completed before May 1974.
- (1) One (1) railcar unloading station with particulate emissions controlled by wet suppression and partial enclosure, with a maximum throughput of 1500 tons of coal per hour.
 - (2) An enclosed conveyor system to the coal storage pile(s), 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) and coal pile reclaim, with fugitive dust emissions controlled by compaction and wet suppression.
 - (4) Coal conveyors and the coal junction house, with carryover wet suppression, additional wet suppression and/or foam application, and enclosed transfer points.
 - (5) Coal crusher house, with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.
 - (6) Coal sample house/breaker building with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.
 - (7) Coal tripper floor to coal bunkers, with a baghouse for PM control, with enclosure for ancillary dust control.

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

Conveyors as follows: Underground conveyors.

Coal bunker and coal scale exhausts and associated dust collector vents.

Coal pile wind erosion.

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

D.4.1 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), allowable particulate emissions for the coal handling operations shall be calculated as follows:

- (a) Particulate shall not be emitted in excess of the amount shown in the table in 326 IAC 6-3-2(e). The allowable rate of emission shall be based on the process weight rate for the process.
- (b) Interpolation of the data in the table in 326 IAC 6-3-2(e) for process weight rates up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

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

- (c) Interpolation and extrapolation of the data in the table in 326 IAC 6-3-2(e) for process weight rates in excess of sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

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

- (d) When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed that shown in the table in 326 IAC 6-3-2(e), provided the concentration of particulate in the discharge gases to the atmosphere is less than one-tenth (0.10) pound per one thousand (1,000) pounds of gases.

Compliance Determination Requirements

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

Except as otherwise provided by statute or rule or in this permit, in order to comply with Section C - Fugitive Dust Emissions and Condition D.4.1, the baghouses and dust collectors shall be in operation and control emissions at all times the associated processes are in operation, and the coal pile dust suppression and wet suppression systems for particulate control shall be in operation and control emissions as specified in the Fugitive Particulate Matter Control Plan submitted to IDEM, OAQ.

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

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

- (a) Visible emission notations of the railcar unloading station openings shall be performed once per week during normal daylight operations when unloading coal. A trained employee shall record whether emissions are normal or abnormal.
- (b) Visible emission notations of each of the baghouse exhausts for the coal crusher house, coal sample house/breaker building, and coal tripper floor shall be performed once per week during normal daylight operations when the corresponding coal processing or conveying equipment is in operation. A trained employee shall record whether emissions are normal or abnormal.
- (c) If abnormal emissions are observed from the coal unloading station or at a coal handling 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.
- (d) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, at least eighty percent (80%) of the time the process is in operation.
- (e) 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.
- (f) 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.4.4 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 handling at least once per week when the corresponding coal processing or conveying equipment 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.4.5 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 emission unit shall be shut down no later than the completion of the processing of the material in the line. 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.4.6 Record Keeping Requirements

- (a) To document compliance with Condition D.4.3, the Permittee shall maintain records of the visible emission notations of the railcar unloading station openings and each of the baghouse exhausts for the coal crusher house, coal sample house/breaker building, and coal tripper floor.
- (b) To document compliance with Condition D.4.4, the Permittee shall maintain records of the pressure drop across each baghouse.
- (c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.5

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (e) Dry fly ash handling, installed in 1997, including the following:
- (1) Vacuum conveyance of fly ash to a storage silo with particulate emissions controlled by a bin vent filter, with a design throughput rate of 9.3 tons per hour.
 - (2) One (1) enclosed fly ash silo unloading station with a design unloading capacity of 200+ tons per hour, used to load dry fly ash to covered trucks, with particulate emissions controlled by the use of a telescoping chute with a vacuum system and a bin vent filter. Overhead doors with an interlock system are closed when ash trucks are being loaded.

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

Vents from ash transport systems not operated at positive pressure.

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

D.5.1 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 18.3 pounds per hour when operating at a process weight rate of 9.3 tons per hour. The pounds per hour limitation was calculated using the following equation:

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

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

where E = rate of emission in pounds per hour and

P = process weight rate in tons per hour.

- (b) Pursuant to 326 IAC 6-3-2(e)(3) (Particulate Emission Limitations for Manufacturing Processes), for the ash unloading at a throughput rate greater than 200 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.5.2 Particulate Control [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, the 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, the telescoping chute with a vacuum system and bin vent filter shall be in operation and control emissions at all times that ash is being unloaded from the silo, and the overhead doors shall be closed at all times that ash is being unloaded from the silo.

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

D.5.3 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, or notations that the ash silo bay doors are completely closed, shall be performed at least once per day during

normal daylight operations when ash is being unloaded. A trained employee shall record either of the following:

- (1) whether all silo bay doors are completely closed during ash unloading, or
 - (2) whether emissions are normal or abnormal.
- (b) Visible emission notations of the ash silo bin vent filter exhaust shall be performed at least once per day during normal daylight operations when transferring ash to or from the silo. A trained employee shall record whether emissions are normal or abnormal.
 - (c) Visible emission notations of the nozzle of the telescoping chute shall be performed at least once per day during normal daylight operations when transferring ash from the silo. A trained employee shall record whether emissions are normal or abnormal.
 - (d) If incomplete closure of a silo bay door is observed, 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.
 - (e) If abnormal emissions are observed from an ash silo unloading station opening, 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, at least 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.5.4 Record Keeping Requirements

- (a) To document compliance with Condition D.5.3, the Permittee shall maintain records of the notations of the ash silo bay doors closure or the visible emission notations of the ash silo unloading station doorways, and the visible emission notations of the bin vent filter exhaust and the telescoping chute nozzle.
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.6

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (f) Wet process bottom ash handling installed in approximately 1950, 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.

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

Ponded bottom ash handling and removal.

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

D.6.1 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 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:

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

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.
- (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.6.2 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, at least 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.6.3 Record Keeping Requirements

- (a) To document compliance with Condition D.6.2, 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.7 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

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

Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour, including one (1) 480,000 BTU boiler in the "A" Building, installed in 1970; one (1) 480,000 BTU boiler in the Gate House, installed in 1964, and one (1) 297,000 BTU boiler, installed in 1953 in the Relay House (Substation Bldg. #G15), each used for building heat.

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

D.7.1 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(c)), the PM emissions from the "A" Building boiler, the Gate House boiler, and the Relay House boiler shall not exceed 0.27 pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

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

- Where:
- | | | |
|----|---|---|
| C | = | 50 micrograms per cubic meter (μ/m^3) |
| Pt | = | Pounds of particulate matter emitted per million Btu heat input (lb/MMBtu). |
| Q | = | Total source maximum operating capacity rating in million Btu per hour (MMBtu/hr) heat input. |
| N | = | Number of stacks in fuel burning operation. |
| a | = | 0.8, for Q greater than 1,000 MMBtu/hr heat input. |
| h | = | Stack height in feet. |

Pursuant to 326 IAC 6-2-3(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, N, and h include the parameters for all facilities in operation on June 8, 1972.

SECTION D.8

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

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

Degreasing operations that do not exceed 145 gallons per 12 months, except if subject to 326 IAC 20-6.

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 (100EF) or;
- (2) Having a vapor pressure equal to or less than 0.7 kPa; 5mm Hg; or 0.1 psi measured at 20EC (68EF); the use of which for all cleaners and solvents combined does not exceed 145 gallons per 12 months.

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 OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

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

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.

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 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 control 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 grinding and machining operations and from the sandblasting at all times that the associated process is in operation.

SECTION E

ACID RAIN PROGRAM CONDITIONS

Facility Description [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (a) Three (3) natural gas-fired boilers, identified as Boiler 4, Boiler 5, and Boiler 6, each with a design heat input capacity of 482 million Btu per hour (MMBtu/hr), exhausting to Stack 1, Stack 2, and Stack 3, respectively, each with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x). Installation of Boilers 4 and 5 was completed in 1950 and installation of Boiler 6 was completed in 1951.
- (b) One (1) cyclone coal-fired boiler, identified as Boiler 12, with a design heat input capacity of 4650 million Btu per hour (MMBtu/hr), with construction completed in May 1974, with an electrostatic precipitator (ESP) with a flue gas conditioning (FGC) system for control of particulate matter, exhausting to Stack 4. Natural gas can be fired during startup, shutdown, and malfunctions. Boiler 12 has a selective catalytic reduction (SCR) system for NO_x control, and has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system.

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: 997

NO_x Budget Source [326 IAC 2-7-5(15)] (The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

- (a) Three (3) natural gas-fired boilers, identified as Boiler 4, Boiler 5, and Boiler 6, each with a design heat input capacity of 482 million Btu per hour (MMBtu/hr), exhausting to Stack 1, Stack 2, and Stack 3, respectively, each with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x). Installation of Boilers 4 and 5 was completed in 1950 and installation of Boiler 6 was completed in 1951.
- (b) One (1) cyclone coal-fired boiler, identified as Boiler 12, with a design heat input capacity of 4650 million Btu per hour (MMBtu/hr), with construction completed in May 1974, with an electrostatic precipitator (ESP) with a flue gas conditioning (FGC) system for control of particulate matter, exhausting to Stack 4. Natural gas can be fired during startup, shutdown, and malfunctions. Boiler 12 has a selective catalytic reduction (SCR) system for NO_x control, and has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system.

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 Boilers subject to this NO_x budget permit are Boiler 4, Boiler 5, Boiler 6, and Boiler 12.

F.3 Monitoring Requirements

- (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) 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.
- (d) 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.
- (e) 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.
- (f) A NO_x allowance allocated under the NO_x budget trading program does not constitute a property right.
- (g) 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)
Michigan City Generating Station
Source Address: 101 North Wabash Street, Michigan City, Indiana 46360
Mailing Address: Arthur E. Smith, 801 East 86th Avenue, Merrillville, Indiana 46410
Part 70 Permit No.: T091-6637-00021

**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)
Michigan City Generating Station
Source Address: 101 North Wabash Street, Michigan City, Indiana 46360
Mailing Address: Arthur E. Smith, 801 E. 86th Avenue, Merrillville, Indiana, 46410
Part 70 Permit No.: T091-6637-00021

This form consists of 2 pages

Page 1 of 2

<input type="checkbox"/> This is an emergency as defined in 326 IAC 2-7-1(12)
X The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-0178, ask for Compliance Section); and
X The Permittee must submit notice in writing or by facsimile within two (2) working days (Facsimile Number: 317-233-6865), and follow the other requirements of 326 IAC 2-7-16.

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

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

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

Page 2 of 2

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

Form Completed by: _____

Title / Position: _____

Date: _____

Telephone: _____

A certification is not required for this report.

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

Part 70 Quarterly Report: Auxiliary Boiler NO_x Emissions

Source Name: Northern Indiana Public Service Company (NIPSCO)
 Michigan City Generating Station
 Source Address: 101 North Wabash Street, Michigan City, Indiana 46360
 Mailing Address: Arthur E. Smith, 801 E. 86th Avenue, Merrillville, Indiana, 46410
 Part 70 Permit No.: T091-6637-00021
 Facilities: Auxiliary Boiler AUX1
 Parameter: Minor PSD Limit (NO_x Emissions)
 Limit: Not to exceed 36.8 tons per twelve (12) consecutive month period with compliance determined at the end of each month.

MONTHS: _____ **to** _____ **YEAR:** _____

Month	Column 1	Column 2	Column 1 + Column 2
	NO _x Emissions (tons) This Month	NO _x Emissions (tons) Previous 11 Months	Total NO _x Emissions (tons) 12 Month Period
Month 1			
Month 2			
Month 3			

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

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

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)
Michigan City Generating Station
Source Address: 101 North Wabash Street, Michigan City, Indiana 46360
Mailing Address: Arthur E. Smith, 801 E. 86th Avenue, Merrillville, Indiana, 46410
Part 70 Permit No.: T091-6637-00021

Months: _____ to _____ Year: _____

Page 1 of 2

This report shall be submitted quarterly based on a calendar year. For the purpose of this permit, Acalendar year@ means the twelve (12) month period from January 1 to December 31 inclusive. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. A deviation required to be reported pursuant to an applicable requirement that exists independent of the permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked ANo deviations occurred this reporting period@.

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)
Michigan City Generating Station
Source Location: 101 North Wabash Street, Michigan City, Indiana, 46360
County: LaPorte
SIC Code: 4911
Operation Permit No.: T091-6637-00021
Permit Reviewer: Vickie Cordell

On July 31, 2004, the Office of Air Quality (OAQ) had a notice published in the News Dispatch in Michigan City, Indiana, stating that Northern Indiana Public Service Company (NIPSCO) (aka NiSource) had applied for a Part 70 Operating Permit to operate the Michigan City Generating Station. The notice also stated that OAQ proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed.

On August 27, 2004, Kelly Carmichael of NiSource submitted comments on the draft Part 70 permit. The following provides a summary of the comments. On July 6, 2006, Ethan Chatfield of U.S. EPA Region 5 submitted a comment on the proposed permit; the EPA comment is included at the end of this Addendum. In the responses, additions to the permit are bolded for emphasis; the language with a line through it has been deleted. The Table of Contents has been modified to reflect these changes.

Comment 1:

Please make the following Section A changes listed below throughout the permit.

Description A.1 General Information

Please change the listed Responsible Official to,

*Vice President, Electric Generation **or other persons meeting the definition of "Responsible official" in 326 IAC 2-7-1(34).***

The mailing address has been changed to 101 North Wabash Street, Michigan City, Indiana 46360. Please make this change throughout the permit.

Response to Comment 1:

Kelly Carmichael of NiSource confirmed that this comment should say that the source address has been changed, rather than the mailing address. Condition A.1 has been revised as shown below as the result of this comment. However, the Permittee is required to list the specific title of the responsible official in the permit. The wording has also been revised to indicate that this source is an Emission Offset major source due to the location in a nonattainment area for the 8-hour ozone standard.

The source address has also been changed on the cover page and the report forms.

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: ~~400~~ **101** North Wabash Street, Michigan City, Indiana 46360

Mailing Address: Arthur E. Smith, 801 East 86th Avenue, Merrillville, Indiana 46410
Source Telephone: 219-647-5252
SIC Code: 4911
County Location: LaPorte
Source Location Status: Nonattainment for ozone under the 8-hour standard
Attainment for all other criteria pollutants
Source Status: Part 70 Permit Program
Major Source, under PSD **and Emission Offset Rules and Nonattainment NSR**;
Major Source, Section 112 of the Clean Air Act;
1 of 28 Source Categories

Comment 2:

Description A.2(a) & (b) Emission Units Pollution Control Equipment Summary

In Descriptions A.2(a) and A.2(b) strike reference to design capacities, or at a minimum change the descriptive information here and throughout the permit to be consistent with the descriptive information contained in the latest IDEM draft of the Phase II Acid Rain Permit,

*Yeach with a design **heat input capacity** of Y*

In Description A.2(b) strike reference to the flue gas conditioning system or specify that the flue gas condition system is not required to be run.

In Description A.2(b) strike,

~~Natural gas will be fired during startup, shutdown and malfunctions.~~

Natural gas is not required to be fired during these periods. If not struck, specify that natural gas **can be fired** not *will be fired*.

Description A.2(c) Emission Units Pollution Control Equipment Summary

Strike reference to CEMS or include the PEMS option per the NSPS,

- (c) (1) *natural gas-fired auxiliary boiler, identified as AUX1, rated at 109 million Btu per hour (MMBtu/hr), installed in 2003, equipped with low NO_x burners, exhausting to Stack AUX1, with a continuous emissions monitoring system (CEMS) **or parametric emissions monitoring system (PEMS)** for nitrogen oxides (NO_x).*

Description A.2(d)(3) Emission Units Pollution Control Equipment Summary

It is unclear as to what is meant by *coal pile unloading*. Specify *coal pile ~~unloading~~ reclaim* if this is the intent.

Description A.2(e)(2) Emission Units Pollution Control Equipment Summary

In Description A.2(e)(2) change pneumatic to covered. Off-specification fly ash is removed via enclosed truck.

*Yused to load dry fly ash to ~~pneumatic~~ **covered** trucksY*

Response to Comment 2:

The heat input capacities are needed to determine the allowable particulate emission rates pursuant to 326 IAC 6-2-1, and are necessary information for Boiler 12 stack testing and for Boilers 4, 5, and 6 in the event that stack testing is ever required. A process must be operating at or near the maximum process rate for a stack test to be valid. Therefore, the throughput rates have been retained.

Natural gas is believed to be routinely used for startup and shutdown of Boiler 12, but its use is not a requirement. The description has been revised accordingly.

The parametric emissions monitoring system (PEMS) plan submittal was not approved by the OAQ Compliance Data Section. It is not appropriate to include any PEMS requirements without an approved plan. The NSPS requires the use of NO_x CEMS for the auxiliary boiler unless an approved PEMS is used instead. Therefore, there has been no change to A.2(c) at this time.

The coal storage description and ash silo unloading descriptions have been revised as requested in Condition A.2.

Condition A.2 has been revised as shown; the same changes have also been made in the corresponding description boxes in the D sections and Sections E and F.

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) Three (3) natural gas-fired boilers, identified as Boiler 4, Boiler 5, and Boiler 6, each with a design **heat input** capacity of 482 million Btu per hour (MMBtu/hr), exhausting to Stack 1, Stack 2, and Stack 3, respectively, each with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x). Installation of Boilers 4 and 5 was completed in 1950 and installation of Boiler 6 was completed in 1951.
- (b) One (1) cyclone coal-fired boiler, identified as Boiler 12, with a design heat input capacity of 4650 million Btu per hour (MMBtu/hr), with construction completed in May 1974, with an electrostatic precipitator (ESP) with a flue gas conditioning (FGC) system for control of particulate matter, exhausting to Stack 4. Natural gas ~~will~~ **can** be fired during startup, shutdown, and malfunctions. Boiler 12 has a selective catalytic reduction (SCR) system for NO_x control, and has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system.
- (c) One (1) natural gas-fired auxiliary boiler, identified as AUX1, rated at 109 million Btu per hour (MMBtu/hr), installed in 2003, equipped with low NO_x burners, exhausting to Stack AUX1, with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x).
- (d) A coal storage and handling system for Boiler 12, completed before May 1974.
 - (1) One (1) railcar unloading station with particulate emissions controlled by wet suppression and partial enclosure, with a maximum throughput of 1500 tons of coal per hour.
 - (2) An enclosed conveyor system to the coal storage pile(s), 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) and coal pile ~~unloading~~ **reclaim**, with fugitive dust emissions controlled by compaction and wet suppression.
 - (4) Coal conveyors and the coal junction house, with carryover wet suppression, additional wet suppression and/or foam application, and enclosed transfer points.
 - (5) Coal crusher house, with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.

- (6) Coal sample house/breaker building with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.
- (7) Coal tripper floor to coal bunkers, with a baghouse for PM control, with enclosure for ancillary dust control.
- (e) Dry fly ash handling, installed in 1997, including the following:
 - (1) Vacuum conveyance of fly ash to a storage silo with particulate emissions controlled by a bin vent filter, with a design throughput rate of 9.3 tons per hour.
 - (2) One (1) enclosed fly ash silo unloading station with a design unloading capacity of 200+ tons per hour, used to load dry fly ash to ~~pneumatic~~ **covered** trucks, with particulate emissions controlled by the use of a telescoping chute with a vacuum system and a bin vent filter. Overhead doors with an interlock system are closed when ash trucks are being loaded.
- (f) Wet process bottom ash handling installed in approximately 1950, 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.

Comment 3:

Description A.3 Specifically Regulated Insignificant Activities

Specifically Regulated Insignificant Activities are listed here but the **Specifically Regulated** designation doesn't carry to the descriptive boxes later in the permit. The insignificant activities contained in the descriptive boxes should contain the **Specifically Regulated** descriptor if indeed the insignificant activities included in the descriptive boxes are regulated. If the insignificant activities in the descriptive boxes are not specifically regulated, they and any associated permit conditions should be deleted from the permit.

Response to Comment 3:

The requested addition has been made to the wording in the description box of Sections D.1, D.2, D.4, D.5, D.6, D.7, D.8, and D.9, as shown below.

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

Comment 4:

Condition B.2 Permit Term

We would like to remind IDEM that the draft Phase II Acid Rain Permit for this generating station is out for public notice and comment at this time and expected to be finalized prior to the expected issuance of this Title V permit. It is our understanding that when this permit is finalized it will be attached as an appendix in this Title V permit. However, the new Phase II Acid Rain Permit has an effective date only through December 31, 2004. We also note that NIPSCO has timely submitted a renewal application for the Acid Rain Permit. To reduce the administrative burden on IDEM and NIPSCO, we recommend IDEM synchronize the expiration date of the Phase II Acid Rain Permit to match the expiration date of the Title V permit. If possible, in addition to synchronizing the terms of the Acid Rain Permit, please synchronize the terms of the NO_x Budget Permit with the Title V permit term.

Also, specify that the effective date of the permit is receipt of the permit, not issuance. It is unreasonable to expect a source to comply with a permit that has not been received. Make this change consistent throughout the permit.

*This permit is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with and IC 13-15-5-3. **This permit becomes effective upon receipt of this permit by the source.** Subsequent*

Response to Comment 4:

The Acid Rain Permit and the Part 70 permit both have five-year permit terms. It is correct that the current Acid Rain Permit has an expiration date of December 31, 2004. However, while the Acid Rain Permit is part of the Part 70 permit, the Acid Rain permit is administered 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.

The NO_x Budget Permit is administered differently than the Acid Rain Permit. The NO_x 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 NO_x 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 NO_x Budget Permit term is the same as the Part 70 Permit term.

As a result, the IDEM, OAQ believes that the terms of the NO_x Budget Program (326 IAC 10-4) and the Acid Rain permit are sufficiently integrated into the Title V permit - see Sections E and F and Appendix A of the Part 70 permit.

Pursuant to IC 13-15-5-3, this Part 70 permit becomes effective upon issuance. This Part 70 permits allows the Permittee to implement the required monitoring, record keeping, and reporting requirements within 90 days after issuance 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

Please list the language of 326 IAC 2-7-7 more precisely as written in the regulation.

Unless otherwise stated, all terms and conditions in this permit, including any provisions designed to limit a 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. On the other hand, 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

Specify that the Permittee's right to operate does not automatically terminate, but rather may terminate. A Permittee can still submit an application inside nine months, receive an approval and still operate.

*The Permittee=s right to operate this source **may** terminates with the expiration of this permit unless a timely and complete renewal application is submitted*

Also, specify that termination of the Title V permit does not terminate the Acid Rain Permits or NO_x budget permits. Add,

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 " A Part 70 permit expiration terminates the source=s right to operate unless a timely and complete renewal application has been submitted consistent with sections 3 and 4(a) of this rule". 326 IAC 2-7-4(a)(1)(D) includes the requirement to have the renewal application submitted at least nine months prior to the date of expiration of the source's existing permit. IDEM, OAQ believes that the current condition language is correct.

The comment is correct in stating that termination of the Title V permit does not terminate the Acid Rain Permit or NO_x budget permit for a source. However, because the NO_x budget permit is being issued as part of the Part 70 permit, the expiration date will be the same for both. The Acid Rain permit is valid until its expiration date.

Condition B.4 specifies the situation when the right of operation shall be terminated under the Part 70 permit program. The right to operate may be terminated under the Part 70 permit program even though the source has an Acid Rain permit that is still in effect. Therefore, no change has been made as a result of this comment. Note that this condition has been renumbered as B.25, see Revision 2 following the Comments.

Comment 7:

Condition B.7(a) Duty to Provide Information

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. Include ***within a reasonable time*** in the last sentence of this condition for clarification.

*Upon request, the Permittee shall **within a reasonable time** also furnish to IDEM, OAQ, copies of records required to be kept by this permit.*

Response to Comment 7:

The wording of Condition B.7(a) was taken 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. No change has been made as a result of this comment.

Comment 8:

Condition B.7(b) Duty to Provide Information

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, we 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. We would appreciate clarification on this matter by insertion of language reflecting this protection for requests for information and records from U.S. EPA.

In addition to the above comments about response *within a reasonable time*, we request 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. Add,

Y 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 during which the Permittee shall submit records requested by U.S. EPA, and has no authority to regulate U.S. EPA regarding the method of handling confidential information. When information is submitted to IDEM 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 confidentiality procedures in handling this information.

A Part 70 permit includes the terms and conditions applicable to the Permittee. Language related to IDEM=s responsibilities and procedures is generally not included in the Part 70 permit. No change has been made as a result of this comment.

Comment 9:

Condition B.10 Preventive Maintenance Plan

Strike this Condition and all references to a Preventive Maintenance Plan in the permit. The PMP requirements of 326 IAC 1-6-3 are only incorporated through 326 IAC 2-7-5(13) and 326 IAC 2-7-4(c)(9) when 326 IAC 1-6-3 is otherwise applicable, and 326 IAC 1-6-3 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, and each of those two rules exempts existing Title V sources. PMPs may apply under 326 IAC 1-6 to "new sources" that are required to obtain a construction permit under 326 IAC 2-5.1. When that is the case, then PMP requirements may be addressed in a Title V permit for such a source pursuant to 326 IAC 2-7-5(13) and 326 IAC 2-7-4(c)(9). However, the references to 326 IAC 1-6 in the Title V regulations do not extend PMP requirements to existing sources, such as Michigan City, that are exempt from PMP requirements pursuant to the clear language of 326 IAC 1-6-1 and 1-6-3.

Condition B.10(b) Preventive Maintenance Plan

IDEM lacks the authority to require *record keeping, as necessary to ensure failure to implement a PMP does not cause or contribute to an exceedance of any limitation on emissions or potential to emit*. Strike this Condition.

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 the Condition is not struck, at a minimum, the language should be clarified to specify that the exceedance only pertains to a limitation contained in this permit.

Condition B.10(c) Preventive Maintenance Plan

Strike reference to *approval* by IDEM. IDEM does not have the authority to approve or disapprove the PMP. Although 326 IAC 2-7-5(13) does not apply to Michigan City, when applicable it 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.*

Nowhere in this language is the authority for IDEM to approve a PMP. Note that 326 IAC 2-7-4(c)(9) requires a source subject to 326 IAC 1-6-1 to maintain on-site a PMP as described in 326 IAC 1-6-3. Even assuming that 326 IAC 1-6-3 applies here (and it does not for the reasons described above), 326 IAC 1-6-3 simply refers to what needs to be contained in the PMP, and it does not allow IDEM to approve the PMP 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. Even if 326 IAC 1-6-3 were applicable, IDEM is only authorized to require a Title V source to maintain, implement and forward a PMP.

~~Yand 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.~~

Condition D.3.9 Preventive Maintenance Plan

Strike. IDEM does not have the authority to require Preventive Maintenance Plans. See comments on Condition B.10.

Condition D.3.12(c) Record Keeping Requirements

Strike this Condition. See comment to Condition D.3.9.

Condition D.4.2 Preventive Maintenance Plan

Strike. IDEM does not have the authority to require Preventive Maintenance Plans. See comments on Condition B.10. Furthermore, if IDEM did have authority, pursuant to 326 IAC 1-6-3, PMPs are required only for emission control equipment. Strike the reference to *facilities*.

Condition D.5.2 Preventive Maintenance Plan

See comment to Conditions D.4.2 and B.10.

Condition D.6.2 Preventive Maintenance Plan

See comment to Conditions D.4.2 and B.10. In addition, it is not known what preventive maintenance would be done in this area.

Condition D.9.2 Preventive Maintenance Plan

If not struck, see comment to Conditions D.4.2 and B.10.

Response to Comment 9:

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. 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)(2)).

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", and "Preventive maintenance plans shall be submitted to the commissioner upon request and shall be subject to review and approval by the commissioner."

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 on the boilers 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, Condition B.10 (Preventive Maintenance Plan) will be a more general condition which will apply to the entire source. 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.

IDEM has also determined upon further review 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. In addition, the requirement to keep records of the inspections has been removed.

Therefore, B.10(a) has been revised, B.10(b) has been deleted, and B.11(e) (Emergency Provisions) has been revised; and the PMP conditions and Inspection conditions in the D sections of the permit and the corresponding record keeping requirements have been removed. Additional changes to the Section D.3 record keeping condition are shown later in this Addendum in Revision 13.

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,~~ The Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, ~~including the following information on each facility:~~ **for the source as described in 326 IAC 1-6-3. At a minimum, the 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.
- (b) ~~The Permittee shall implement the PMPs, including any required record keeping as necessary to ensure that failure to implement a PMP does not cause or contribute to an exceedance of any limitation on emissions or potential to emit.~~
- ~~(c)~~(b) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The PMPs does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

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

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

- (e) **The Permittee seeking to establish the occurrence of an emergency shall make records available upon request to ensure that failure to implement a PMP did not cause or contribute to an exceedance of any limitations on emissions. However, IDEM, OAQ, may require that the Preventive Maintenance Plans required under 326 IAC 2-7-4(c)(9) be revised in response to an emergency.**

D.1.5 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 and any emission control devices.~~

D.1.85 Record Keeping Requirements

- (a) Pursuant to 326 IAC 7-4-5(4)(A) (LaPorte County sulfur dioxide emission limitations), a log of hourly operating status for Boilers 4, 5, and 6 shall be maintained and made available to the department upon request.
- ~~(b) To document compliance with Condition D.1.5, the Permittee shall maintain records of the results of all boiler inspections, including any additional inspections prescribed by the Preventive Maintenance Plan.~~
- ~~(c)~~(b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.5 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 this facility and its emission control devices.~~
- ~~(b) The PMP for an electrostatic precipitator shall include the following inspections, performed according to the indicated schedules:~~
- ~~(1) Plate and electrode alignment, every major maintenance outage, but no less than every 2 years;~~
- ~~(2) ESP TR set components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed within the last six months. At a minimum, the following inspections shall be performed:~~
- ~~(A) Internal inspection of shell for corrosion (including but not limited to doors, hatches, insulator housings, and roof area).~~
- ~~(B) Effectiveness of rapping (including but not limited to buildup of dust on discharge electrodes and plates).~~
- ~~(C) Gas distribution (including but not limited to buildup of dust on distribution plates and turning vanes).~~
- ~~(D) Dust accumulation (including but not limited to buildup of dust on shell and support members that could result in grounds or promote advanced corrosion).~~

- ~~(E) Major misalignment of plates (including but not limited to a visual check of plate alignment).~~
- ~~(F) Rapper, vibrator and TR set control cabinets (including but not limited to motors and lubrication).~~
- ~~(G) Rapper assembly (including but not limited to loose bolts, ground wires, water in air lines, and solenoids).~~
- ~~(H) Vibrator and rapper seals (including but not limited to air in leakage, wear, and deterioration).~~
- ~~(I) TR set controllers (including but not limited to low voltage trip point, over current trip point, and spark rate).~~
- ~~(J) Vibrator air pressure settings.~~
- ~~(3) Air and water infiltration, once per month. The recommended method for this inspection is for audible checks around ash hoppers/hatches, duct expansion joints, and areas of corrosion.~~
- ~~(4) Flue gas conditioning system (FGCS) components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed within the last six months.~~

D.2.1411 Record Keeping Requirements

- ~~(c) To document compliance with Condition D.2.5, 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.~~
- ~~(d)(c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.~~

D.3.9 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 auxiliary boiler AUX1.~~

D.3.1311 Record Keeping Requirements

- ~~(c) To document compliance with Condition D.3.9 the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
- ~~(d)(e) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.~~

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

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

D.4.6 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 handling equipment. 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.4.86 Record Keeping Requirements

- ~~(c) — To document compliance with Condition D.4.6, the Permittee shall maintain records of the results of the baghouse inspections.~~
- ~~(d) — To document compliance with Condition D.4.2, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
- ~~(e)(c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.~~

D.5.2 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.~~

D.5.5 Bin Vent Filter Inspections [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- ~~(a) — An inspection shall be performed each calendar quarter of the bin vent filter(s) controlling particulate emissions from the ash conveying. Inspections required by this condition shall not be performed in consecutive months. All defective filters 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.5.64 Record Keeping Requirements

- ~~(a) To document compliance with Condition D.5.43, the Permittee shall maintain records of the notations of the ash silo unloading station doorways and the visible emission notations of the bin vent filter exhaust and the telescoping chute nozzle.~~
- ~~(b) — To document compliance with Condition D.5.5, the Permittee shall maintain records of the results of the bin vent filter inspections.~~
- ~~(c) — To document compliance with Condition D.5.2, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
- ~~(d)(b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.~~

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.6.4-3 Record Keeping Requirements

- ~~(a) To document compliance with Condition D.6.32, the Permittee shall maintain records of visible emission notations of the ash storage pond area(s) and any bottom ash storage piles.~~

~~(b) To document compliance with Condition D.6.2, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~

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

~~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.~~

~~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 10:

Condition B.11(b)(4) Emergency Provisions

The source should only have to notify IDEM at one location. Specify which location to notify IDEM.

Condition B.11(d) Emergency Provisions

This Condition states that this emergency provision supersedes 326 IAC 1-6. Please confirm that IDEM will not require malfunction reporting under 326 IAC 1-6 in lieu of or in addition to emergency reporting for this source. If so, please clarify that 326 IAC 1-6 is not applicable even as a state-only requirement.

Condition B.11(e) Emergency Provisions

This condition states the IDEM, OAQ may require that the PMP required under 326 IAC 2-7-4-(c)(9)[sic] be revised in response to an emergency. If this condition is not struck in response to the general comment on Condition B.10 above, it should be struck because IDEM does not have authority to require a Permittee to revise a PMP, or to allow IDEM to institute a revision of the PMP, in response to an emergency.

Response to Comment 10:

The Permittee is required to notify IDEM at only one location. B.11(b)(4) has been revised as shown below. The telephone and facsimile numbers for the OAQ Compliance Section and the Northwest Regional Office have also been updated.

The Malfunction provisions in 326 IAC 1-6 are not applicable to this source because the requirements of 326 IAC 2-7-16 (Emergency Provision) supersedes those requirements. Therefore, malfunction reports are not required for an event that is reported using the emergency report form. 326 IAC 2-7-16(f) provides that the commissioner may require that the preventive maintenance plan required under 326 IAC 2-7-4(c)(9) be revised in response to an emergency. There has been no change to B.11(d) and (e) in response to this comment.

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

(b)

- (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, and or the IDEM Northwest Regional Office, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or

Telephone Number: 317-233-~~5674~~ **0178** (ask for Compliance Section), **or**
Facsimile Number: 317-233-~~5967~~ **6865**, **or**

Northwest Regional Office Telephone Number: 1-219-~~881-6742~~ **757-0265**, **or**
Northwest Regional Office Facsimile Number: 1-219-~~881-6745~~ **757-0267**.

Comment 11:

Condition B.13(b) Prior Permits Superseded

We would appreciate clarification as to how this condition affects the Acid Rain Permit that is included as an appendix to this permit and incorporated by reference per E.1 and the NO_x Budget Trading Program that is included as Section F and incorporated by F.2. Will this inclusion in the Title V permit alter the effective dates or expiration dates of the Acid Rain and NO_x Budget Permits? We would prefer synchronization of the permit dates and clear delineation that the Acid Rain and NO_x Budget permits stand alone irrespective of the status of the other permits. Also, please see our previous comment on Condition B.2 regarding the status of the Phase II Acid Rain Permits and synchronization issues.

Response to Comment 11:

See the Response to Comment 4, above. The Acid Rain permit has been incorporated as originally stated, including its original expiration date. The NO_x Budget permit is issued as part of the Part 70 permit. No change has been made as a result of this comment.

Comment 12:

Condition B.14(b) Deviations from Permit Requirements and Conditions

IDEM is not authorized to include additional parametric monitoring that is not already required by regulation into this permit (for example see comments to Condition D.2.11, D.2.12, D.2.13, D.4.4, D.4.5, D.4.6, D.4.7, D.5.4, D.5.5, D.6.3). Because most of the parametric monitoring requirements included in this draft permit are not required by regulation, but rather only came into existence as a result of this permit, IDEM is overstepping its authority. Nonetheless, if such monitoring is retained, IDEM must specify that failure to conduct parametric monitoring, not previously 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). In many cases, these emission points emit very little particulate and the potential to emit is less than the limit. These types of issues are normally worked out in the formal rulemaking process. However, IDEM has not granted sources and the public this right.

In light of these arguments, if IDEM does not rightfully remove the parametric monitoring added in this permit and that are not previously required by regulation, make the following changes,

*A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit. **Failure to conduct parametric monitoring in Conditions D.2.11, D.2.12, D.2.13, D.4.4, D.4.5, D.4.6, D.4.7, D.5.4, D.5.5, D.6.3 is not a deviation.***

Response to Comment 12:

Pursuant to 326 IAC 2-7-5(3), a Part 70 permit must include monitoring requirements to ensure "... that all reasonable information is provided to evaluate continuous compliance with the applicable requirements." 326 IAC 2-7-5(6) requires the provision (found on the permit's cover page) that states that the Permittee must comply with all conditions of the permit. Therefore, 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 13:

Condition B.16 Permit Renewal

The permit application content in 326 IAC 2-7-4 is primarily for first time applicants and requires large amounts of source information to be compiled and submitted and primarily needed by IDEM to draft an initial permit. To require a permit holder to re-file a complete application containing all of the information required in 326 IAC 2-7-4, information IDEM already has, for each renewal is excessive and wasteful for both the permit holder and IDEM. 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 updated information and requested changes.

Response to Comment 13:

The permit renewal application must fulfill the requirements of 326 IAC 2-7-4. However, the Permittee does not need to re-create the entire application. The specific instructions and forms regarding a Part 70 renewal can be found at <http://www.in.gov/idem/permits/air/apps/aioperating/renewal.html>. No change has been made as a result of this comment.

Comment 14:

Condition B.17 Source Modification

Because the definition set forth in this Condition conflicts with the definition referenced in 326 IAC 2-7-10.5, this Condition should be revised to include the exclusions and definition referenced in 326 IAC 2-7-10.5. 326 IAC 2-7-10.5 incorporates the definition of modification from 326 IAC 2-1, 2-3 or 2-4.1, which unlike the definition set forth in 326 IAC 1-2-42 includes an exclusion for routine maintenance, repair, and replacement.

Response to Comment 14:

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 emissions 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 specifically includes an alternative definition. There has been no change in response to this comment.

Comment 15:

Condition B.21(a) Inspection and Entry

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 a daily safety meeting.

(a) *Enter upon the Permittee=s premises **with a facility escort** where a Part 70 source is located*

Condition B.21(d) Inspection and Entry

All applicable requirements are required to be in the Title V permit. *Strike or applicable requirements.*

for the purpose of assuring compliance with this permit ~~or applicable requirements~~; and

Condition B.21(e) Inspection and Entry

There are no compliance methods that utilize or authorize the use of photographic equipment in the Clean Air Act. Strike photographic.

Also, all applicable requirements are required to be in the Title V permit. Strike *or applicable requirements*.

~~For the purpose of assuring compliance with this permit or applicable requirements.~~

Response to Comment 15:

IDEM intends to follow the 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.

The Permittee is required to comply with all applicable requirements, even if a requirement is inadvertently omitted from the Part 70 permit, or if a requirement becomes applicable after permit issuance.

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 16:

Condition B.23(b) Annual Fee Payment

Strike ~~revocation of this permit~~. This does not appear in the regulations for failure to pay fees. Permit revocation is addressed in Condition B.16.

~~Except as provided enforcement action or revocation of this permit.~~

Response to Comment 16:

The language found in this condition is taken from 326 IAC 2-1.1-7(8). No change has been made as a result of this comment.

Comment 17:

Condition B.24 Credible Evidence

Strike this Condition. This is not an applicable requirement to be complied with, but rather purports to be an evidentiary rule. This Condition is not authorized nor is it intended to be included in the actual Title V permit.

Response to Comment 17:

Indiana has incorporated the credible evidence provision in 326 IAC 1-1-6. This rule became effective on March 16, 2005; therefore the condition reflecting this rule has been updated to better incorporate the rule language, as shown.

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

~~Notwithstanding the conditions of this permit that state specific methods that may be used to demonstrate compliance with, or a violation of, applicable requirements, any person (including the~~

~~Permittee) may also use other credible evidence to demonstrate compliance with, or a violation of, any term or condition of this permit.~~

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

Comment 18:

Condition C.2 Opacity

As IDEM is aware, the current particulate technologies cannot prevent *all* six-minute opacity exceedances no matter how well the control equipment is maintained and operated. Historically, IDEM has handled this situation by allowing somewhere between two and five percent of the operating time to have opacity exceedances before beginning an inquiry that could lead to an enforcement action.

While this practice has been highly successful under the past permitting and compliance scheme, it will not work under Title V. However, since the facility utilizes the same equipment that has been in place for many years to successfully comply with particulate and opacity limits, it is still necessary to have this same allowance. We therefore believe 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 or an equivalent alternative that allows certification of compliance with minimal opacity exceedances.

Putting this threshold into the permit is not a permanent action that cannot be reconsidered if control technologies improve. IDEM will still have the opportunity to revisit the threshold each time the Title V permit is renewed. This opportunity would allow changes if justified.

In order to implement this necessary provision, we recommend that IDEM change Condition C.2 as follows by adding the language of a new subsection (c) as set forth below,

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 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) **For units for which opacity is monitored by a continuous opacity monitor, 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 (ID fan on) on a quarterly basis and the primary causes of the exceedances are not due to lack of maintenance or improper operations.**

Response to Comment 18:

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 19:

Condition C.6 Motor Vehicle Fugitive Dust Sources

The regulation cited applies to mobile sources and not to stationary sources. The Michigan City source cannot be responsible for every vehicle that travels on Indiana's roadways. Strike this Condition because it is not applicable to stationary sources, and not properly included in a Title V permit. If not struck, this Condition must be qualified as ~~not~~ federally enforceable.

Response to Comment 19:

It is clear that the Permittee is not required to be responsible for every vehicle that travels on Indiana's roadways. However, NIPSCO is responsible for proper dust control from activities at the Michigan City plant, including from activities related to the receipt of materials or the removal of material from the plant. This includes minimizing mud tracked by vehicles from the site and loose material falling or blowing from trucks leaving the site, which could create a source of fugitive dust on the public road. Good housekeeping practices will allow compliance certification.

No change has been made in response to this comment.

Comment 20:

Condition C.9(a) Performance Testing

The language of this condition should be reworded to clarify that the testing is performance testing required by this permit and is not applicable to any other testing. The suggested revision follows:

*All **performance testing required by this permit** shall be performed according to the provisions*

Condition C.9(b) Performance Testing

The language of this condition should clarify the testing is the performance testing required by this permit. The suggested revision follows:

*The Permittee shall notify IDEM, OAQ of the actual **performance** test date at least fourteen (14) days prior to the actual **performance** test date.*

In addition, according to 326 IAC 3-6-2(h) the 14 day notification does not need to be submitted in writing (e.g., can be telephoned) and any implication of such should not be made. Strike reference to *submitted* in the second sentence.

The notification ~~submitted~~ by the Permittee

Condition C.9(c) Performance Testing

The language of this condition should clarify the test reports that must be submitted are only the reports of the performance tests required by the permit.

*Pursuant to 326 IAC 3-6-4(b), all test reports **required to be submitted by this permit** must be received by IDEM*

Response to Comment 20:

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.

Comment 21:

Condition C.10 Compliance Requirements

We realize the language of this requirement is directly from the cited regulation, however we recommend the following clarification to avoid misinterpretation if the second sentence is taken out of context.

*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 as approved by the commissioner or the U.S. EPA.***

Response to Comment 21:

As noted in the comment, the wording of Condition C.10 is straight from 326 IAC 2-1.1-11. The requested language revision would narrow the applicability of the rule and would require a revision to 326 IAC 2-1.1-11 through the rule making process. Therefore, no changes have been made as a result of this comment.

Comment 22:

Condition C.11 Compliance Monitoring

Strike the last phrase in Condition C.11. Monitoring for new units should always be handled in the initial IDEM approval and not through generic language.

~~*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.*~~

The requirement to implement compliance monitoring for new emission units or emission units added through a source modification *when operation begins* does not consider that the monitor needs to be tested under operating conditions to verify its 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 unit testing. Therefore, the requirement should be modified to reflect this situation and only require monitoring after stable operation of the unit occurs.

Response to Comment 22:

As noted in the condition wording, allowance for a *break-in* period can be included as appropriate in the pre-construction approval for new units. The last paragraph of Condition C.11 clarifies that the monitoring requirements for a new emission unit begin with the start of operation of the unit, rather than 90 days after issuance of this Part 70 permit. There has been no change in response to this comment.

Comment 23:

Condition C.12(d) Maintenance of Continuous Opacity Monitoring Equipment

Strike this Condition. It is not required by permit or regulation.

If not struck, commencement of monitoring should not begin until after 4 hours of COM downtime to assure that personnel can be available, reassigned and notified. The trigger should also be based on when a malfunction was detected,

- (a) *Whenever a continuous opacity monitor (COM) is **determined to be malfunctioning or will be down for a calibration, maintenance, or repairs for a period of ~~four~~ (44) hours or more, compliance with***

Condition C.12(d)(1)(B) Maintenance of Continuous Opacity Monitoring Equipment

Consistent with Condition C.12(d)(2)(B), 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.

- (A) *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.***

Condition C.12(a) & (e) Maintenance of Continuous Opacity Monitoring Equipment

If Condition C.12(d) is not struck, clarify that in Conditions C.12(a) and (e) the COM is not required to be operated at all times. 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 operated. Condition C.12(d) seems to address this. Please clarify,

- (a) *The Permittee shall calibrate, ~~Y~~. 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).***

~~Y~~

- (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 **except as provided for in Condition C.12(a) and Condition C.12(d) and 40 CFR 60.***

Response to Comment 23:

The visible emission notations required in this condition are taken in response to 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.

However, upon further review, 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 or 6 hours apart, rather than once every four (4) hours, until a COMS is back in service.

326 IAC 3-5-4 (Continuous Monitoring - Standard Operating Procedures) and 3-5-5 (Continuous Monitoring - Quality Assurance Requirements) specifically recognize the need for routine calibration and quality control requirements and preventive maintenance and corrective maintenance procedures. 326 IAC 3-5-7(5) (Continuous Monitoring - Reporting Requirements) specifies that reports of continuous monitoring system

instrument downtime, except for zero and span checks which shall be reported separately, shall include the reasons for each downtime and the nature of system repairs and adjustments. Therefore, 326 IAC 3-5 allows for downtimes necessary to perform quality assurance and maintenance activities.

There is no need to revise the wording of Condition C.12(e), which states "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." However, the wording of Condition C.12(a) has been revised to reflect that periods of COMS downtime are allowed as needed for calibration and maintenance.

The corresponding record keeping requirement in Condition D.2.14 (now D.2.11) has also been revised.

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, **except as otherwise allowed by 326 IAC 3-5.**
 - (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 times and reasons of the breakdown and efforts made to correct the problem.
 - (d) Whenever a ~~continuous opacity monitor (COM)~~ **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 and a backup COMS is not online within twenty-four (24) hours of shutdown or malfunction of the primary COMS, compliance with the applicable opacity limits shall be demonstrated by the following:**
 - ~~(1) Visible emission (VE) notations shall be performed once per hour during daylight operations following the shutdown or malfunction of the primary COM. A trained employee shall record whether emissions are normal or abnormal for the state of operation of the emission unit at the time of the reading.~~
 - ~~(A) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.~~
 - ~~(B) If abnormal emissions are noted during two consecutive emission notations, the Permittee shall begin Method 9 opacity observations within four hours of the second abnormal notation.~~
 - ~~(C) VE notations may be discontinued once a COM is online or formal Method 9 readings have been implemented.~~
 - ~~(2) If a COM is not online within twenty four (24) hours of shutdown or malfunction of the primary COM, the Permittee shall provide a certified opacity reader(s), who may be an employees of the Permittee or an independent contractors, to self-monitor the emissions from the emission unit stack.~~
- ~~(A)(1)~~ **(1)** Visible emission readings shall be performed in accordance with 40 CFR 60, Appendix A, Method 9, for a minimum of five (5) consecutive six (6) minute averaging periods beginning not more than twenty-four (24) hours after the start of the malfunction or down time.

- ~~(B)~~(2) Method 9 opacity readings shall be repeated for a minimum of five (5) consecutive six (6) minute averaging periods at least ~~once every four (4) hours~~ **twice per day** during daylight operations, **with at least four (4) hours between each set of readings**, until ~~such time that a COMS is in operation online~~.
- ~~(C)~~(3) Method 9 readings may be discontinued once a COMS is online.
- ~~(D)~~(4) Any opacity exceedances determined by Method 9 readings shall be reported with the Quarterly Opacity Exceedances Reports.
- ~~(3)~~ ~~If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C – Compliance Response Plan – Preparation, Implementation, Records, and Reports. Observation of abnormal emissions that do not violate an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C – Compliance Response Plan – Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.~~
- (e) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous opacity monitoring system pursuant to 326 IAC 3-5.

D.2.1411 Record Keeping Requirements

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

Comment 24:

Condition C.14 Pressure Gauge and Other Instrument Specifications

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.

Strike this Condition. It is wrought with regulatory and technical problems and has not been proven as achievable. Further, this Condition is not authorized by existing regulations and would require proper rulemaking.

If not struck, per Condition C.14(d), specify that our current gauges are adequate for measuring compliance.

Condition C.14(c) Pressure Gauge and Other Instrument Specifications

Strike this Condition. There is no requirement for a pH meter or a requirement for a Preventive Maintenance Plan for the pH meter.

Response to Comment 24:

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

The condition 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 for the normal range shall be no less than twenty percent (20%) of full scale and be accurate within plus or minus two percent (±2%) of full scale reading.**
- (b) ~~Whenever a condition in this permit requires the measurement of a voltage, current, temperature, or flow rate, the instrument employed shall have a scale such that the expected normal reading shall be no less than twenty percent (20%) of full scale and be accurate within plus or minus two percent (±2%) of full scale reading.~~
- (c) ~~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.~~
- (d)(b) The Permittee may request **that** the IDEM, OAQ approve the use of a pressure gauge or ~~other~~ **an** instrument that does not meet the above specifications provided the Permittee can demonstrate **that** an alternative pressure gauge or ~~other~~ instrument specification will adequately ensure compliance with permit conditions requiring the measurement of ~~pressure drop or other~~ **the** parameters.

Comment 25:

Condition C.17 Compliance Response Plan

Strike this Condition and all references to this Condition in the permit. 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. IDEM is not authorized to impose a requirement to develop and implement a ~~compliance response plan.~~ In fact that term does not appear and is not defined anywhere in state or federal regulations.

Strike 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.

If not struck, such conditions must be labeled as *not federally enforceable*.

Response to Comment 25:

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 (CRP) for each compliance monitoring condition of this permit. If a Permittee is required to have an Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and~~

~~Start-up, Shutdown, and Malfunction (SSM) Plan under 40 CFR 63, such plans shall be deemed to satisfy the requirements for a CRP for those compliance monitoring conditions. A CRP shall be submitted to IDEM, OAQ upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and comprised of:~~

- ~~(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 26:

Condition C.18 Actions Related to Noncompliance Demonstrated by a Stack Test

We request the following changes to provide 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.

- (a) *When the **pollutant-specific** results of a stack test performed in conformance with Section C B 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 actions to minimize excess emissions **of that tested air pollutant** from the affected facility while the response actions are being implemented.*

In addition, IDEM should add a provision to allow for mutually agreeable alternatives that comply with the law. Add,

- (e) ***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.***

Response to Comment 26:

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. The wording "pollutant-specific" could be inappropriate if upcoming federal emission regulations allow for surrogate performance testing for hazardous air pollutants such as mercury. In addition, some of the procedures and analysis methods specified in Section C - Performance Testing include requirements such as a necessary flow rate. While not a pollutant-specific requirement or an emission limit, failure to meet a method requirement could invalidate a test and the Permittee would need to take appropriate response actions.

The only schedule of activities included in C.18(a) is for the Permittee to submit a description of response actions within thirty (30) days of receipt of test results showing noncompliance. The only schedule requirement included in C.18(b) is that a retest to demonstrate compliance is to be performed within one hundred twenty (120) days of receipt of the original test results, and the condition already states that IDEM, OAQ may extend the retesting deadline if the Permittee demonstrates that retesting in one-hundred and twenty (120) days is not practicable.

There has been no change in response to this comment.

Comment 27:

Condition C.20(a) General Record Keeping Requirements

The last sentence of this condition provides a reasonable time for the Permittee to furnish the requested information to the Commissioner. We request this same reasonable period to respond to U.S. EPA requests for records. The following language is requested.

*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.*

Condition C.20(b) General Record Keeping Requirements

In order to provide the Permittee the full 90 days, we recommend the following changes,

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

Response to Comment 27:

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 within 90 days of permit issuance 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 28:

Condition C.21(c) General Reporting Requirements

On occasion a submission is made through facsimile or email. Include that these submissions are timely if the facsimile time stamp or email send date is dated on or before the date it is due.

*For 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.***

Condition C.21(e) General Reporting Requirements

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 issuance of the permit will not coincide with the date the Permittee receives the permit and becomes fully aware of the permit's final requirements. Therefore, we recommend this triggering requirement be changed to the date the Permittee *receives* the permit or a reasonable period after the permit is issued.

- (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.*

Response to Comment 28:

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

Comment 29:

Condition C.22(d) Compliance with 40 CFR 82 and 326 IAC 22-1

This requirement is primarily applicable to the manufacturer of these substances and is not under the control of the source. Strike this condition.

Response to Comment 29:

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. Therefore, no change has been made as a result of this comment.

Comment 30:

Condition C.23 Ambient Monitoring

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. We request IDEM acknowledge that IDEM approved modifications to a monitoring network be recognized as meeting the listed conditions.

Response to Comment 30:

The wording used in Condition C.23 was taken directly from 326 IAC 7-3-2(a). IDEM, OAQ prefers to have the condition match the rule language. 326 IAC 7-3-2(b) required that the monitoring plan be submitted prior to October 11, 1991, and also states ~~at~~the commissioner may require that the monitoring plan be modified, at any time, consistent with the requirements of this section.~~@~~ No change has been made as a result of this comment.

Comment 31:

Condition D.1.1 Sulfur Dioxide (SO₂)

Specify that the SO₂ emissions limits are based on a 30-day rolling weighted average pursuant to 326 IAC 7.

Response to Comment 31:

As shown in Condition D.1.6 (formerly D.1.9) (Reporting Requirements), pursuant to 326 IAC 7-4-5(4)(C) (LaPorte County sulfur dioxide emission limitations), the reporting required to demonstrate compliance with Condition D.1.1 is satisfied by indicating that natural gas was the only fuel burned. No reporting of sulfur dioxide emission rates is necessary.

As noted in the Technical Support Document, these units have been operated solely on natural gas since 1988 to comply with the reduced SO₂ emission limits of 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations). The coal handling equipment feeding these three units has been removed. A source modification approval, including possible PSD or Nonattainment New Source Review, would be required before the units would be allowed to fire any fuel other than natural gas. Therefore, there is no need to include language specifying the averaging period for each limit.

In addition, because of the way the SO₂ emissions are limited in 326 IAC 7-4-5(4), three separate averages would have to be reported for each month, to demonstrate compliance when one unit was in operation, when two units were in operation, and when three units were in operation. Also, the Permittee has not indicated how a weighted average would be calculated for pipeline natural gas.

There has been no change in response to this comment.

Comment 32:

Condition D.1.3 Temporary Alternate Opacity Limitations

On numerous occasions, IDEM has re-iterated that the alternate limitation periods (e.g., one hour or ten six-minute averaging periods) are cumulative not consecutive. Please specify this or clarify in the Technical Support Document that the limitation periods are cumulative.

Condition D.1.3(a) Temporary Alternative Opacity Limitations

This Condition should reflect the actual language of 326 IAC 5-1-3, not the narrowed version presented in the draft permit,

*When building a new fire in a boiler, or shutting down a boiler, opacity may exceed the **applicable forty percent (40%) opacity** limit established in 326 IAC 5-1-2 **and Condition C.2 of this permit**. However,*

*opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period. Opacity in excess of ~~forty percent (40%)~~ **applicable limit** 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)]*

Response to Comment 32:

Condition D.1.3(a) states that opacity may exceed the applicable limitation of 326 IAC 5-1-2 for not more than two (2) six (6)-minute averaging periods. The two averaging periods may be any two six-minute blocks of time within a period of twenty-four (24) consecutive hours, not necessarily two consecutive periods. However, the OAQ believes that adding the word accumulative to the wording of 326 IAC 5-1-3(a) could lead to an incorrect interpretation that the six-minute averaging periods could be cumulative rather than block periods.

Condition C.2 states "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*" (emphasis added). Therefore it is not necessary to refer to Condition C.2 in Condition D.1.3.

The condition has been revised as shown below to better reflect the actual rule language regarding allowable emission levels.

D.1.3 Temporary Alternative Opacity Limitations [326 IAC 5-1-3]

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

- (a) When building a new fire in a boiler, or shutting down a boiler, opacity may exceed the ~~forty percent (40%) opacity~~ **applicable limit** established in 326 IAC 5-1-2. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period. Opacity in excess of ~~forty percent (40%)~~ **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)]

Comment 33:

Condition D.1.4 Operation Standards

Strike this condition. 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. It is not appropriate to include these rules in the Title V permit.

If this condition is not struck, the second sentence of D.1.4(a) should be revised as follows to be consistent with D.1.4(b)

Evaporated in these boilers shall

Condition D.2.4 Operations Standards

Strike this Condition. See comments to Condition D.1.4.

Condition D.3.8 Operation Standards

Strike this Condition. See comments to D.1.4.

Response to Comment 33:

Upon further review, IDEM has determined that Conditions D.1.4, D.2.4, and D.3.8 (Operation Standards) do not need to be included in the permit, since they are each regulated by other agencies. Conditions D.1.7, D.2.10, and D.3.12 (Cleaning Waste Characterization) are therefore also not needed. All six of these conditions have been removed from the permit, and other condition numbers have been revised accordingly.

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

- ~~(a) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in Boilers 4, 5, and 6 without a Resource Conservation and Recovery Act (RCRA) permit. Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall meet the toxicity characteristic requirements for non-hazardous waste. These requirements are not federally enforceable pursuant to the Title V permit.~~
- ~~(b) Any boiler tube chemical cleaning waste liquids evaporated in these boilers shall only contain the cleaning solution and no more than two full volume boiler rinses.~~

~~D.1.7 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. This condition is not federally enforceable pursuant to the Title V permit.~~

~~D.2.4 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 these facilities without a Resource Conservation and Recovery Act (RCRA) permit. Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall meet the toxicity characteristic requirements for non-hazardous waste. These requirements are not federally enforceable pursuant to the Title V permit.~~
- ~~(c) Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall only contain the cleaning solution and no more than two full volume boiler rinses.~~

~~D.2.10 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. This condition is not federally enforceable pursuant to the Title V permit.~~

~~D.3.8 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]~~

- ~~(a) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in these facilities without a Resource Conservation and Recovery Act (RCRA) permit. Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall meet the toxicity characteristic requirements for non-hazardous waste. These requirements are not federally enforceable pursuant to the Title V permit.~~
- ~~(b) 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.3.12 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. This condition is not federally enforceable pursuant to the Title V permit.~~

Comment 34:

Condition D.1.5 Preventive Maintenance Plan

Strike this Condition. IDEM does not have the authority to require Preventive Maintenance Plans. See comments on Condition B.10. Furthermore, if IDEM did have authority, pursuant to 326 IAC 1-6-3, PMPs are required only for emission control equipment. Strike the reference to *facilities*.

Condition D.1.8(b) Record Keeping Requirements

Strike. PMPs do not apply to this Title V source.

If not struck, this Condition is too vague. Not all boiler inspections relate to compliance with the Title V permit. Please make the following changes,

- (b) *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.~~*

Condition D.2.14(c) Record Keeping Requirements

Strike. PMPs do not apply to this Title V source.

If not struck, this Condition is too vague. Not all boiler inspections relate to compliance with the Title V permit. Please make the following changes,

- (a) *To document compliance with Condition D.2.5, 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.~~*

Condition D.9.4 Record Keeping Requirements

Strike this Condition. PMPs are not required for this source and Condition D.9.4(b) is redundant with Condition C.20.

Response to Comment 34:

The PMP conditions and corresponding record keeping requirements have been removed from the D sections. See the Response to Comment 9, above.

Comment 35:

Condition D.1.8(c) Record Keeping Requirements

Strike. This Condition is redundant with Condition C.20.

Condition D.2.14(d) Record Keeping Requirements

Strike. This Condition is redundant with Condition C.20.

Condition D.3.12(d) Record Keeping Requirements

Strike. This Condition is redundant with Condition C.20.

Conditions D.4.8 (e) Record Keeping Requirements

Strike this Condition. It is redundant with Condition C.20.

Condition D.9.4 Record Keeping Requirements

Condition D.4.9(b) is redundant with Condition C.20.

Response to Comment 35:

The conditions included in this comment refer to Section C - General Record Keeping Requirements, which is Condition C.20 of the NIPSCO Michigan City Part 70 permit. Condition C.20 specifies that the Permittee shall implement the record keeping requirements within ninety (90) days of permit issuance and shall maintain the records for a period of at least five (5) years. IDEM, OAQ believes that referring to the General Record Keeping Requirements in these more specific Record Keeping conditions is not redundant and eliminates a possible source of confusion regarding the record keeping needed. Therefore, no change has been made as a result of this comment.

Comment 36:

Condition D.1.9 Reporting Requirements

Strike this Condition. Natural gas is the only fuel combusted at these units and there is no regulatory requirement to report this.

Response to Comment 36:

The reporting requirement in Condition D.1.9 (now D.1.6) is taken directly from 326 IAC 7-4-5(4)(C) (LaPorte County sulfur dioxide emission limitations). There is no change in response to this comment.

Comment 37:

Condition D.2.2 Temporary Alternative Opacity Limitations

On numerous occasions, IDEM has re-iterated that the alternate limitation periods (e.g., one hour or ten six-minute averaging periods) are cumulative not consecutive. Please specify this or clarify in the Technical Support Document that the limitation periods are cumulative.

In addition, an alternate opacity limit for power off rapping during boiler operation is needed for at least one cumulative hour once per week. This is done strictly for environmental reasons (no economic benefit) and lowers the overall average opacity, but can result in opacity spikes during the rapping.

Finally, 326 IAC 5-1-3(b) should be included to provide a temporary alternate opacity limit when removing ashes or blowing tubes.

Condition D.2.2(a) Temporary Alternative Opacity Limitations

Strike reference to *forty percent (40%)*. This does not appear in the regulation.

- (a) *When building a new fire in a boiler, opacity may exceed the ~~forty percent (40%)~~ opacity limitation established in 326 IAC 5-1-2*

Also, the flue gas temperature for Michigan City is measured at the precipitator outlet. Specify,

*the flue gas temperature, **as measured at the ESP outlet**, reaches two hundred fifty (250) degrees*

Condition D.2.2(b) Temporary Alternative Opacity Limitations

Strike reference to *forty percent (40%)*. This does not appear in the regulation.

When shutting down a boiler, opacity may exceed the ~~forty percent (40%)~~ opacity limitation established in 326 IAC 5-1-2

Condition D.2.2(d) Temporary Alternative Opacity Limitations

Strike this Condition. It should not be part of a Title V permit, and IDEM does not have the authority to include it in a Title V permit. If not struck, specify that this Condition is not federally enforceable.

Response to Comment 37:

In response to this comment, the wording of Condition D.2.2 has been revised to better reflect the requirements of 326 IAC 5-1-2 and 5-1-3(e), and to include the provisions of 326 IAC 5-1-3(b).

326 IAC 5-1-3(e)(2) specifies that the startup conditions must be at least as stringent as those conditions in the operating permit in effect as of the effective date of the rule.

There is no provision in the plant's preceding Opacity Exemption or in 326 IAC 5-1-3 that would allow for an alternate opacity limit for power off rapping during boiler operation. Also, 326 IAC 5-1-3(e)(2)(A)(i) specifies a temperature of two hundred fifty (250) degrees Fahrenheit at the **inlet** of the electrostatic precipitator. Waiting until the temperature is 250 degrees at the outlet would allow a longer time of operation without the particulate and opacity control provided by the ESP, and is not allowed by the rule.

The startup provisions of Condition D.2.2(d) (now D.2.2(a)(4)) are unique to the Michigan City plant, and were included in the previous start up opacity requirements for the plant due to a history of complaints from users of the adjacent harbor. Pursuant to 326 IAC 5-1-3(e)(2), the condition is federally enforceable.

The condition has been revised as follows:

D.2.2 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:
- (a) (1) When building a new fire in a boiler, opacity may exceed the ~~forty percent (40%) opacity limitation~~ **applicable limit** established in 326 IAC 5-1-2 for a period not to exceed a **cumulative** total of thirty (30) minutes (five (5) 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.
 - (b) (2) When shutting down a boiler, opacity may exceed the ~~forty percent (40%) opacity limitation~~ **applicable limit** established in 326 IAC 5-1-2 for a period not to exceed a **cumulative** total of thirty (30) minutes (five (5) six (6)-minute averaging periods) during the shutdown period.
 - (c) (3) Operation of the electrostatic precipitator is not required during these times.
 - (d) (4) NIPSCO shall avoid, whenever possible, cold startups on Boiler 12 when the wind direction is such that excess emissions would be carried over the adjacent boat harbor. NIPSCO shall notify the OAQ by telephone twenty-four (24) hours prior to a cold startup (boiler off line more than 72 hours) of Boiler 12.
- (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.**

Comment 38:

Condition D.2.3(a) Sulfur Dioxide (SO₂)

Specify that the SO₂ emissions limits are based on a 30-day rolling weighted average pursuant to 326 IAC 7.

Condition D.2.3(b) Sulfur Dioxide (SO₂)

Strike this Condition. It was not included in 326 IAC 7-4-5(4) as a required SIP limit.

If not struck, then *in accordance with the modeling analysis required for approval of 326 IAC 7.4.5(4)*, the limit should be structured as a pounds per hour limit. The emission rate in pounds per hour (lbs/hr) that was used for the modeling analysis was based on the SO₂ emission rate limit, as follows:

$$\begin{aligned} \text{SO}_2 \text{ lbs/hr} &= 6.0 \text{ lbs/mmBtu} \times 4650 \text{ mmBtu/hr} \\ &= 27,900 \text{ lbs/hr} \end{aligned}$$

Because the primary SO₂ standard is based on twenty-four hours, the limit should be based on twenty-four hours of operation,

$$\begin{aligned} \text{SO}_2 \text{ tons per 24 hours} &= 27,900 \text{ lbs/hr} \times 24 \text{ hrs} \times 1 \text{ ton} / 2000 \text{ lbs} \\ &= 334.8 \text{ tons per day} \end{aligned}$$

Therefore, if a limit is included it should be,

- (b) *In accordance with the modeling analysis required for the approval of 326 IAC 7-4-5(4), the rate of ~~heat input~~ **SO₂ emissions** for Unit 12 shall not exceed a total of ~~4650 million Btu per hour (MMBtu/hr)~~ **334.8 tons per day (tpd)**.*

Condition D.2.14(b) Record Keeping Requirements

Strike Condition D.2.14(b)(3) for reasons outlined in Condition D.2.3(b).

Response to Comment 38:

The requested wording has been added to D.2.3(a), with a more precise rule cite. After further review, D.2.3(b) and the corresponding record keeping condition have been removed from the permit. Condition D.2.11 (formerly D.2.14) has been further revised as shown in the Response to Comment 47 below, and Condition D.2.3 is now as follows:

D.2.3 Sulfur Dioxide (SO₂) [326 IAC 7-4-5]

-
- (a) Pursuant to 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations), the SO₂ emissions from Boiler 12 shall not exceed 6.0 lbs/MMBtu, **based on a 30-day rolling weighted average pursuant to 326 IAC 7-2-1**.
- (b) ~~In accordance with the modeling analysis required for the approval of 326 IAC 7-4-5(4), the rate of heat input for Unit 12 shall not exceed a total of 4650 million Btu per hour (MMBtu/hr).~~

Comment 39:

Condition D.2.5 Preventive Maintenance Plan

Strike. IDEM does not have the authority to require Preventive Maintenance Plans. See comments on Condition B.10.

If this Condition remains, according to 326 IAC 1-6-3, it is the responsibility of the person responsible for operating a facility, not the regulatory agency, to develop the PMP and the timeframes associated with preventive maintenance.

Any person responsible for operating any facility shall prepare and maintain a preventive maintenance plan. [emphasis added] 326 IAC 1-6-3

IDEM cannot dictate maintenance, operational or inspection requirements that are not within the regulatory scope of its authority.

In addition, 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. 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 and sets forth that a PMP applies to emission control devices.

As an example, Unit 12 does not have vibrator air pressure settings as listed in Condition D.2.5(b)(2)(J), yet IDEM is compelling preventive maintenance.

If not struck, make the following changes, which are not applicable to this unit, but are consistent with 326 IAC 2-7-5(13) and 326 IAC 1-6-3,

D.2.5 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

- (b) A Preventive Maintenance Plan (PMP), in accordance with Section B Preventive Maintenance Plan, of this permit, is required for ~~these facilities and their~~ **this facility=s** emission control devices.
- ~~(c) The PMP for an electrostatic precipitator shall include the following inspections, performed according to the indicated schedules~~
 - ~~(1) Plate and electrode alignment, every major maintenance outage, but no less than every 2 years;~~
 - ~~(2) ESP TR set components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed within the last six months. At a minimum, the following inspections shall be performed:~~
 - ~~(A) Internal inspection of shell for corrosion (including but not limited to doors, hatches, insulator housings, and roof area).~~
 - ~~(B) Effectiveness of rapping (including but not limited to buildup of dust on discharge electrodes and plates).~~
 - ~~(C) Gas distribution (including but not limited to buildup of dust on distribution plates and turning vanes).~~
 - ~~(D) Dust accumulation (including but not limited to buildup of dust on shell and support members that could result in grounds or promote advanced corrosion).~~
 - ~~(E) Major misalignment of plates (including but not limited to a visual check of plate alignment).~~

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

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

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

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

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

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

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

Condition D.2.5(b) Preventive Maintenance Plan

If this Condition remains, some of these areas may not exist or it may not be practical or effective to inspect. Therefore, these inspections should only be referenced by way of example.

Condition D.2.5(b)(2) Preventive Maintenance Plan

If this Condition remains, performing these every time there is an outage lasting more than three days is excessive and not possible at times. Not only is IDEM without authority to create new requirements in the Title V permit, but creating new requirements that the source cannot comply with is arbitrary and capricious. If these new requirements are not struck, all listed activities should not be required to be performed any more frequently than every two years, so that they are in conformance with the normal outage schedule. While we are likely to do these types of inspections more often, the schedule must be one based upon our ability to comply. In addition an outage may be planned for two days and unexpectedly be delayed to a third day. The labor and materials may not be available to complete the prescribed inspections, thereby causing a significant delay in restarting the unit.

Condition D.2.5(b)(3) Preventive Maintenance Plan

If not struck for the reasons stated above, strike this Condition because it provides no additional information related to compliance if Conditions D.2.5(b)(2)(A) through D.2.5(b)(2)(J) remain.

If not struck, strike the recommended methods contained in Condition 2.5(b)(3). This serves no purpose in the permit other than informational. If IDEM feels compelled to provide advice to the source, it should be included in the Technical Support Document and not in the permit.

~~(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.~~

Condition D.2.5(b)(4) Preventive Maintenance Plan

Strike this Condition. The flue gas conditioning system is not required to operate.

Response to Comment 39:

All of the PMP conditions and accompanying record keeping requirements have been removed from the D sections. See the Response to Comment 9.

Comment 40:

Condition D.2.6 Testing Requirements

Specify that the effective date is receipt of the permit, not issuance.

By December 31 of the second calendar year following the most recent stack test, or within 180 days after issuance receipt of this permit.

Response to Comment 40:

See the Response to Comment 4, above.

Comment 41:

Condition D.2.7 Operation of Electrostatic Precipitator

Although the ESP is operated on Unit 12 during coal combustion, IDEM does not have the authority to require ESP operation. Strike this Condition.

Response to Comment 41:

Pursuant to 326 IAC 2-7-6(6), IDEM must include in a Part 70 permit the necessary requirements to demonstrate compliance with the emission limits. Unit 12 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 to Condition D.2.5 (formerly D.2.7) as a result of this comment.

Comment 42:

Condition D.2.8 Continuous Emissions Monitoring

Strike this Condition. It is redundant. Opacity requirements are handled in Conditions C.12 and C.13. NO_x monitoring is handled in Sections E and F and Condition C.13. SO₂ monitoring is handled in Conditions D.2.9 and C.13.

Response to Comment 42:

The IDEM, OAQ believes that it is appropriate for Condition D.2.6 (formerly D.2.8) to specifically state the continuous emission monitoring requirements for Boiler 12, other than the monitoring requirements included in the NO_x SIP or Acid Rain permits for the unit. Condition C.12 (Maintenance of Continuous Opacity Monitoring Equipment) is specific to opacity, and is not specific to Boiler 12. Condition C.13 (Monitoring Methods) is not specific to continuous monitoring requirements. Condition D.2.7 (formerly D.2.9) (Sulfur Dioxide Emissions and Sulfur Content) primarily details the requirements for fuel sampling and analysis for 326 IAC 7, and only notes that SO₂ CEMS data may be used instead if the Permittee provides written notification in accordance with 326 IAC 7-2-1(g). Comment 47, shown below in this Addendum, indicates that the Permittee may at some time elect to use SO₂ CEMS data pursuant to 326 IAC 7-2-1 to demonstrate compliance with 326 IAC 7-4-5, in which case Condition D.2.6 will also be applicable to the SO₂ continuous emissions monitoring. There has been no change in response to this comment.

Comment 43:

Condition D.2.11 Transformer-Rectifier (T-R) Sets

This and other parametric monitoring requirements are not required under the applicable requirements of the Title V permit program. Therefore, this and the other parametric monitoring conditions must be struck. In addition, the failure to perform parametric monitoring is not a deviation and does not create under the Title V regulatory language a requirement to conduct a compliance response.

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 is 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 titled "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 by IDEM 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. This, IDEM cannot legally do, without complying with the rulemaking procedures.

The imposition of this and other additional monitoring requirements is also contrary to the intent of the Title V program. Title V is not designed to "impose substantive new requirements." 40 CFR 70.1(b). However, that is exactly what IDEM has done. These parametric monitoring requirements are "substantive" requirements, because they impose duties and obligations on those regulated.

Condition D.2.11(a) Transformer-Rectifier (T-R) Sets

Aside from IDEM's lack of authority, this Condition should be struck because reading the primary and secondary voltages and currents of the T-R sets is unwarranted and is not a compliance measure. In addition, secondary voltages and field power are read for the Unit 12 ESP.

Condition D.2.11(b) Transformer-Rectifier (T-R) Sets

Aside from IDEM's lack of authority, this Condition should be struck because the trigger for compliance response steps in accordance with the Compliance Response Plan is arbitrary. IDEM has drafted Title V permits with triggers as low as 75%. In addition, IDEM has struck the ability to test and demonstrate that other percentages are acceptable, further exemplifying the arbitrary nature of the Condition.

Response to Comment 43:

The Indiana legislature provided IDEM the authority to implement 326 IAC 2-7-5(3). IC 13-14-1-13 (Duties of the Department: Monitoring and Reporting) states that the Commissioner shall establish and administer monitoring and reporting requirements as necessary to carry out the duties and exercise the powers provided in the following:

- 1) Air pollution control laws.
- 2) Water pollution control laws.
- 3) Environmental management laws.

This statute clearly provides broader authority than just allowing the Commissioner to simply copy monitoring and reporting requirements that are specifically established in some other law.

Additionally, the provisions of 326 IAC 2-7-5(3) state that the Part 70 permits must include: "Monitoring and related record-keeping and reporting requirements which assure that all reasonable information is provided to evaluate continuous compliance with the applicable requirements." More specifically, 326 IAC 2-7-5(3)(A)(ii) provides that

"[w]here an applicable requirement does not require periodic testing or instrumental or noninstrumental monitoring...such periodic monitoring specifications sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the Part 70 permit as reported [under clause (C)]."

In the January 22, 2004, Federal Register notice, the U.S. EPA declined to make changes that had been proposed for 40 CFR 70.6(c), the so-called "umbrella monitoring" provisions. The notice did mention that the court in Appalachian Power recognized that the "periodic monitoring" provisions of 40 CFR 70.6(a) requires that monitoring requirements be added when the applicable requirement contains none. There are no other rules applicable to this source that already include the level of detailed monitoring and related record keeping and reporting requirements necessary to assure that all reasonable information is provided to evaluate continuous compliance; therefore, as required by 326 IAC 2-7-5(3), additional compliance monitoring, record keeping and reporting requirements must be included in the Part 70 permit.

The ESPs controlling the boilers must operate properly to assure that the boilers maintain continuous compliance with all applicable requirements. Therefore, it is reasonable and necessary to require the source to monitor the T-R sets of the ESPs periodically. 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 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).

The compliance monitoring parameters established by this permit are consistent with how the source was operating at the time compliance was determined by stack testing. Monitoring to confirm that the source continues to operate consistent with these parameters indicates that the source is operating as it was when stack testing verified compliance. Taking appropriate response steps and promptly returning the source to this operational state provides the information required by 326 IAC 2-7-5(3) to evaluate continuous compliance and the information required by 326 IAC 2-7-6(1) to assure compliance with the permit.

Condition D.2.8 (formerly D.2.11) requires that reasonable response steps be taken whenever the percentage of T-R sets in service falls below 90 percent (90%). This percentage was specifically determined to be appropriate for this boiler based on previous PM stack test results, including the records of T-R sets in service during the stack testing. 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. IDEM has previously approved using 75% for a boiler with an ESP with only four T-R sets.

However, upon further review, IDEM has determined that once per day 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. The condition has therefore been revised as shown.

D.2.448 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 44:

Condition D.2.12 Opacity Readings

For the reasons set forth in the objection to Condition D.2.11, this parametric monitoring condition should be struck. The failure to perform should not be a deviation or trigger compliance response.

Furthermore, IDEM has greatly exceeded its 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. Although we recognize 35% opacity in and of itself is not a deviation, it does require action, whereas, the regulation allows this source to operate between 35% and 40% in compliance and without response. Opacity of 35% does not necessarily constitute an out-of-control situation or a particulate compliance issue.

Response to Comment 44:

See the Response to Comment 43 regarding IDEM's authority to require monitoring.

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 limits. 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.2.9 (formerly D.2.12) 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 opacity usually displayed during normal operating conditions, requires a response step but 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).

Condition D.2.9 (formerly D.2.12) has been revised to include a new paragraph that clarifies how the Permittee can apply for a revision to the trigger level.

D.2.129 Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) In the event of emissions exceeding thirty-five percent (35%) 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-five percent (35%). 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-five percent (35%) 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 45:

Condition D.2.13 SO₂ Monitoring System Downtime

This Condition should be struck because the regulations do not require this level of record keeping for the source to demonstrate that continued operations are typical. The acid rain program data substitution requirements are sufficient to yield reliable data.

Condition D.2.13(a) SO₂ Monitoring System Downtime

Please specify that grab sampling is acceptable.

Coal sampling after the bunker is difficult. Specify that sampling ahead of the bunker is acceptable.

Condition D.2.13(b) SO₂ Monitoring System Downtime

IDEM should include in D.2.13(b)(2) an alternative to allow the use of substitute data while the CEM is down after 8 hours if there is no change in the fuel blend.

Response to Comment 45:

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, the Part 75 data substitution procedures cannot be used to demonstrate compliance with 326 IAC 7-4-12 for coal boilers for unspecified periods of time.

However, IDEM has determined that when the SO₂ CEMS is down, the Permittee does not need to begin coal sampling and analysis until the CEMS has been down for 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 hours of CEMS downtime, the Permittee will be required to begin performing coal sampling and analysis in order to demonstrate compliance with the applicable SO₂ emission limits. The condition has also been revised to state that sampling shall be conducted as specified in 326 IAC 3-7-2(b), which does not require sampling after the bunker.

D.2.1310 SO₂ Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the automatic coal sampling system is malfunctioning or down for repairs or adjustments for twenty-four (24) hours or more, the following shall be used to provide information related to SO₂ emissions:

- (a) ~~Coal sampling and analysis data shall be collected in accordance with one of the following:~~
- (1) ~~Coal samples shall be collected after the bunker. Coal shall be sampled at least three (3) times per day and at least one (1) time per eight (8) hour period unless no coal is bunkered during the preceding eight (8) hour period. Minimum sample size shall be five hundred (500) grams. Coal samples shall be prepared and analyzed as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e).~~
- ~~or~~
- (2) **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.
- (b) 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:
- (1) If the CEM system is down for less than ~~eight (8)~~ **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.
- (2) If the CEM system is down for ~~eight (8)~~ **twenty-four (24)** hours or more, fuel sampling shall be conducted as specified in part (a) of this condition, above.

Comment 46:

Condition D.2.14 Record Keeping Requirements

Strike all reference to *complete and sufficient*. The function of the Title V permit is to establish requirements that are complete and sufficient to establish compliance. If the permit is deficient in this respect then list the record keeping requirements that are sufficient to establish compliance.

Condition D.2.14(a)(2) Record Keeping Requirements

All continuous opacity monitoring data should not be construed to mean all one-minute data for five years. This is a tremendous amount of data. We 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.

In addition, pursuant to C.13 include,

- (2) *All continuous opacity monitoring data, **during times that the induced draft fan is in operation, pursuant to***

Condition D.2.14(a), (a)(3) & (a)(4) Record Keeping Requirements

Strike reference to *Section C Maintenance of Continuous Opacity Monitoring Equipment, D.2.11 and D.2.12* and Conditions D.2.14(a)(3) & (a)(4). These are added monitoring that IDEM does not have the authority to include in a Title V permit.

Condition D.2.14(b) Record Keeping Requirements

Strike reference to *data collected in accordance with Condition D.2.13*. This data is not required to be collected by regulation or prior permit.

Strike Condition D.2.14(b)(2). The intent of this Condition is unknown and does not appear to provide any type of compliance determination.

Response to Comment 46:

The specific parameters for which the Permittee is required to keep records are listed in Condition D.2.14, now renumbered as D.2.11. 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. Any information contained in a report shall be true, accurate, and complete.

It is correct that Condition C.12(a) (rather than C.13) states that the COM shall be in operation at all times that the induced draft fan is in operation for boilers. However, 326 IAC 3-5-6(a) specifically requires all records, including raw data, to be maintained for a minimum of five years. 326 IAC 3-5-6(b) also specifically requires the records to include all maintenance logs, calibration checks, and other required quality assurance activities, and a log of plant operations including the date and time of each continuous monitoring system downtime and the reason for each downtime.

See the Responses to Comments 23 and 43 above regarding IDEM's authority to require compliance monitoring in the Part 70 permit.

D.2.11(b)(2) (formerly D.2.14(b)(2)) requires the Permittee to keep records of the actual fuel usage since the last compliance determination period. This information is needed in order to calculate the SO₂ emissions on a rolling weighted average basis pursuant to 326 IAC 7-2.

There has been no change in response to this comment. However, the condition has been revised as shown in the Response to Comment 47.

Comment 47:

Condition D.2.15(b) Reporting Requirements

Pursuant to 326 IAC 7-2-1(c), specify that this reporting is only required if fuel sampling data and analysis is obtained. Much of this data is not required if a CEM is used to demonstrate compliance.

Response to Comment 47:

This comment indicates that, pursuant to 326 IAC 7-2-1(g), the Permittee may elect to use CEM data instead of fuel sampling and analysis to demonstrate compliance with 326 IAC 7-5-4. Because 326 IAC 7-2-1(g) requires only a written notification to IDEM, additional wording has been added to allow for both compliance determination options in Conditions D.2.6 (formerly D.2.8), D.2.11 (formerly D.2.14), and D.2.12 (formerly D.2.15) in response to this comment. Condition D.2.7 (formerly D.2.9) is the Sulfur Dioxide Emissions and Sulfur Content condition, and Condition D.2.10 (formerly D.2.13) is the SO₂ Monitoring System Downtime condition.

D.2.86 Continuous Emissions Monitoring [326 IAC 3-5]

-
- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), a continuous emissions monitoring system (**CEMS**) for Boiler 12 shall be calibrated, maintained, and operated for measuring opacity, which meets all applicable performance specifications of 326 IAC 3-5-2.
- (b) **If the Permittee notifies the IDEM that continuous emission monitoring data will be used pursuant to 326 IAC 7-2-1(g) instead of fuel sampling and analysis, then pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), a CEMS for Boiler**

12 shall be calibrated, maintained, and operated for measuring SO₂, which meets all applicable performance specifications of 326 IAC 3-5-2.

- ~~(b)~~(c) All ~~continuous emission monitoring systems~~ **CEMS** are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- ~~(e)~~(d) Pursuant to 326 IAC 3-5-4, if revisions are made to the continuous monitoring standard operating procedures (SOP), the Permittee shall submit updates to the department biennially.
- ~~(d)~~(e) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a ~~continuous emission monitoring system~~ **CEMS** pursuant to 326 IAC 3-5, 326 IAC 10-4, or 40 CFR 75.

D.2.1411 Record Keeping Requirements

- (b) To document compliance with SO₂ Conditions D.2.3, D.2.97, and D.2.4310, the Permittee shall maintain records in accordance with (1) ~~and~~ or (2) below. Records shall be complete and sufficient to establish compliance with the SO₂ limit as required in Conditions D.2.3 and D.2.97.
 - (1) **If the Permittee routinely uses fuel sampling and analysis pursuant to 326 IAC 7-2-1, then records shall be maintained in accordance with (A) and (B), below.**
 - (A) All fuel sampling and analysis data, pursuant to 326 IAC 7-2, and data collected in accordance with Condition D.2.4310.
 - ~~(2)~~ (B) Actual fuel usage since last compliance determination period.
 - (2) **If the Permittee routinely uses SO₂ continuous emission monitoring pursuant to 326 IAC 7-2-1(g), then records shall be maintained in accordance with (A), (B), and (C), below.**
 - (A) **All SO₂ continuous emissions monitoring data, pursuant to 326 IAC 3-5-6 and 326 IAC 7-2-1(g).**
 - (B) **All fuel sampling and analysis data collected for SO₂ CEMS downtime, in accordance with Condition D.2.10.**
 - (C) **Actual fuel usage during each SO₂ CEMS downtime.**

D.2.1512 Reporting Requirements

- (b) **Pursuant to 326 IAC 7-2-1, the Permittee shall submit reports in accordance with (1) or (2) below.**
 - (1) **If the Permittee routinely uses fuel sampling and analysis pursuant to 326 IAC 7-2-1, a A quarterly report of the thirty (30) day rolling weighted average sulfur dioxide emission rate in pounds per million Btus, and records of the daily average coal sulfur content, coal heat content, weighing factor, and daily average sulfur dioxide emission rate in pounds per million Btus 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. [326 IAC 7-2-1(c)(1)]**

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

- (2) **If the Permittee routinely uses SO₂ continuous emission monitoring pursuant to 326 IAC 7-2-1(g), a quarterly summary of the information to document compliance with Conditions D.2.3 and D.2.6 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 ~~A~~responsible official@ as defined by 326 IAC 2-7-1(34).**

Comment 48:

Condition D.3.1 New Source Performance Standard (NSPS)

Pursuant to 40 CFR 60.44b(i), specify that the NO_x limit is a 30-day rolling average.

Response to Comment 48:

Condition D.3.1 has been revised in response to this comment, as shown.

D.3.1 New Source Performance Standard (NSPS) [326 IAC 12] [40 CFR 60, Subpart Db]
[326 IAC 6-2-1(f)]

Pursuant to 326 IAC 12 and 40 CFR 60, Subpart Db (Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units), emissions from the auxiliary boiler AUX 1 shall not exceed the following:

One-tenths (0.10) pound NO_x per million Btu (MMBtu) heat input for a low heat release rate.

Pursuant to 40 CFR 60.44b(i), except as provided under 40 CFR 60.44b(j), compliance with this NO_x emission limit is determined on a 30-day rolling average basis.

Comment 49:

Condition D.3.3 National Emission Standards for Hazardous Air pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters

Specify that the auxiliary boiler is an ~~A~~existing@ source as described in the Technical Support Document of this permit. Please specify that as an existing large affected source in the gaseous fuel subcategory, notification is the only applicable requirement under this NESHAP.

Response to Comment 49:

It is correct that the auxiliary boiler is an existing source pursuant to Subpart DDDDD. Pursuant to 40 CFR 63.7506(b), the only requirements that apply to the existing affected source for the large liquid fuel subcategory are the initial notification requirements in 40 CFR 63.9(b). The Permittee was required to submit an Initial Notification containing the information specified in 40 CFR 63.9(b)(2) not later than March 12, 2005. The Notification for boiler AUX1 was received on December 22, 2004. There are no other Subpart DDDDD requirements applicable to this unit.

Therefore, Condition D.3.3 has been revised as shown, and Condition D.3.15 has been deleted.

D.3.3 National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters [40 CFR Part 63, Subpart DDDDD]

-
- (a) The auxiliary boiler AUX1 is an **existing** affected source for the large gaseous fuel subcategory, and is subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers and Process

Heaters, (40 CFR 63, Subpart DDDDD), as of the effective date of 40 CFR 63, Subpart DDDDD. Pursuant to this rule, the Permittee must comply with 40 CFR 63, Subpart DDDDD on and after three years after the date of publication of the final rule for 40 CFR 63, Subpart DDDDD in the *Federal Register*.

- (b) **The applicable Subpart DDDDD requirement for the large gaseous fuel subcategory is submittal of an Initial Notification containing the information specified in 40 CFR 63.9(b)(2) not later than March 12, 2005. The Initial Notification for AUX1 was received on December 22, 2004.**
- (bc) The definitions of 40 CFR 63, Subpart DDDDD at 40 CFR 63.7575 are applicable to the affected source.

~~D.3.15 National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters - Notification Requirements [40 CFR 63, Subpart DDDDD]~~

- ~~(a) Pursuant to 40 CFR 63.7545(a) and 40 CFR 63.7506(b), the Permittee shall submit an Initial Notification containing the information specified in 40 CFR 63.9(b)(2) not later than 120 days after the date of publication of the final rule for 40 CFR 63, Subpart DDDDD in the Federal Register, as required by 40 CFR 63.7545(b).~~
- ~~(b) The notification required by paragraph (a) 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~~

~~The notification requires the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).~~

Comment 50:

Condition D.3.11 Continuous Emissions Monitoring

Strike this Condition. The monitoring requirements are contained in Condition D.3.10(b).

If not struck, properly characterize the NSPS monitoring requirements. The NSPS allows for CEMS or PEMS monitoring for NO_x. See 40 CFR 60.48b(g).

Response to Comment 50:

Condition D.3.7 (formerly D.3.10) does not specify the continuous monitoring requirements of 40 CFR 60 Subpart Db or the corresponding requirements of 326 IAC 3-5; therefore, Condition D.3.8 (formerly D.3.11) is not redundant.

The NSPS does include an option for operation using an approved predictive emissions monitoring system (PEMS) plan instead of a continuous emission monitoring system. NIPSCO submitted a PEMS plan to the IDEM, OAQ Compliance Data Section. However, the submittal was determined to be insufficient to allow for a certification of the PEMS system. Therefore, the Permittee is not currently allowed to operate under the PEMS option and it is not appropriate to include the use of a PEMS in the Part 70 permit at this time.

Comment 51:

Condition D.4.1 Particulate

The limitation expressed in Condition D.4.1 does not accurately reflect the regulatory requirement in 326 IAC 6-3-2, which states,

When the process weight exceeds two hundred (200) tons/hour, the maximum allowable emission may exceed that shown in the table, provided the concentration of particulate matter in the discharge gases to the atmosphere is less than 0.10 pounds per one thousand (1,000) pounds of gases.

Response to Comment 51:

In response to this comment, and because minimum and maximum throughput rates for the coal processing operations have not been specified, Condition D.4.1 has been revised to more accurately and completely state the requirements of 326 IAC 6-3-2.

D.4.1 Particulate [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), ~~for the coal processing at a throughput rate greater than 200 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.~~ **allowable particulate emissions for the coal handling operations shall be calculated as follows:**

- (a) **Particulate shall not be emitted in excess of the amount shown in the table in 326 IAC 6-3-2(e). The allowable rate of emission shall be based on the process weight rate for the process.**
- (b) **Interpolation of the data in the table in 326 IAC 6-3-2(e) for process weight rates up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:**
$$E = 4.10 P^{0.67} \quad \text{where } E = \text{rate of emission in pounds per hour and } P = \text{process weight rate in tons per hour.}$$
- (c) **Interpolation and extrapolation of the data in the table in 326 IAC 6-3-2(e) for process weight rates in excess of sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:**
$$E = 55.0 P^{0.11} - 40 \quad \text{where } E = \text{rate of emission in pounds per hour; and } P = \text{process weight rate in tons per hour.}$$
- (d) **When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed that shown in the table in 326 IAC 6-3-2(e), provided the concentration of particulate in the discharge gases to the atmosphere is less than one-tenth (0.10) pound per one thousand (1,000) pounds of gases.**

Comment 52:

Condition D.4.3 Particulate Control

Although the baghouses, dust collectors and the wet suppression systems are operated on the coal storage and handling systems when the associated processes are in operation, IDEM does not have the authority to require baghouse, dust collector or the wet suppression system operation. In addition the wet suppression system cannot and does not need to be in operation at all times the process is in operation.

Condition D.5.3 Particulate Control

IDEM does not have the authority to require that these controls be in operation at all times.

Condition D.9.3 Particulate Control

If not struck, IDEM does not have the authority to require that these controls be in operation at all times.

Response to Comment 52:

IDEM has authority to include the necessary compliance requirement in a Part 70 permit, pursuant to 326 IAC 2-7-6(6). IDEM, OAQ believes that the Permittee must operate the particulate control systems when the associated emissions units are in operation to ensure continuous compliance with the corresponding particulate emission limits. Without an alternative compliance method, IDEM, OAQ cannot verify if the PM emissions from material handling operations are in compliance with the applicable PM emission limits continuously without the use of particulate emission control systems.

For the coal handling in Section D.4, it is not possible to use emission factors to demonstrate compliance with the particulate emission limit for process weight rates exceeding two hundred (200) tons per hour; use of the particulate controls is determined to demonstrate compliance. For the fly ash handling in Section D.5, calculations using the emission factors for pneumatic conveyance of fly ash (Before Control) from AP-42 Table 11.12-2 (Emission Factors for Concrete Batching) (October 2001 edition) indicate that the operations cannot comply with the applicable particulate emission limit without the emission controls. No emission calculations were done for the grinding and machining operations included in Section D.9; however, the operations have to use particulate controls to meet the Insignificant Activity definition: "Grinding and machining operations controlled with fabric filters, scrubbers, mist collectors, wet collectors and electrostatic precipitators".

Therefore, no change has been made as a result of this comment. However, the Condition D.4.3 (now D.4.2) has been revised because the coal for the station is received by rail.

D.4.32 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 Section C - Fugitive Dust Emissions, ~~Section C - Motor Vehicle Fugitive Dust Sources~~, and Condition D.4.1, the baghouses and dust collectors shall be in operation and control emissions at all times the associated processes are in operation, and the coal pile dust suppression and wet suppression systems for particulate control shall be in operation and control emissions as specified in the Fugitive Particulate Matter Control Plan submitted to IDEM, OAQ.

Comment 53:

Condition D.4.4 Visible Emissions Notations

Strike this Condition. IDEM does not have the authority to add monitoring requirements for these minimal emission sources.

In addition, in most cases, the AP-42 uncontrolled emissions are less than the process weight limits. Therefore, monitoring is not required because the uncontrolled emissions are less than the limit.

In addition, taking 100% of the readings cannot reasonably be accomplished. IDEM is forcing parametric monitoring, without going through rulemaking, that cannot be complied with 100% of the time.

Condition D.4.4(a) Visible Emissions Notations

If this Condition is not struck, strike *any emissions* and replace with **normal or abnormal emissions**. This operation is expected to occasionally emit within the established limits allowed.

- (a) *Visible emission notations of the rail car unloading* A trained employee shall record whether ~~any~~ **normal or abnormal emissions** are observed.

Condition D.4.4(a) & (b) Visible Emissions Notations

If this Condition is not struck, change to **once per day during normal daylight operations** when unloading. Monitoring associated with *normal daylight operations* is confusing and potentially unworkable. 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 sources of particulate in the State of Indiana with once per day notations.

Condition D.4.4(c) Visible Emissions Notations

If this Condition is not struck, strike *any* and replace with **abnormal**. This operation is expected to occasionally emit within the established limits. Implying that any emissions are abnormal is contradictory to allowable emissions by permit.

(c) If ~~any~~ **abnormal** visible emissions

Condition D.4.4(e) Visible Emissions Notations

Strike this Condition 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. We expect our 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 53:

Compliance monitoring conditions such as these requirements to perform visible emission notations, are required in order to demonstrate continuous compliance with the permit requirements, pursuant to 326 IAC 2-7-5(3). Visible emission notations are used to indicate compliance with 326 IAC 5-1 and the particulate matter limits pursuant to 326 IAC 6-3-2.

Kelly Carmichael of NiSource submitted material handling PTE calculations on December 16, 2004. The calculations for the coal handling use AP-42 Chapter 13-2.4-1 Equation 1, which is for aggregate handling drop operations. However, it is not possible for calculations to demonstrate compliance with 326 IAC 6-3-2 for operations with a process weight rate in excess of 200 tons per hour. Therefore, the Permittee shall demonstrate compliance with the coal handling particulate emission limit by the use of dust suppression systems and the other existing particulate control devices.

However, upon further review, IDEM has determined that once per week monitoring of the control device is generally sufficient for coal handling to ensure proper operation of the control device. IDEM has also determined that these monitoring frequencies are sufficient to satisfy the requirements of the Part 70 rules at 326 IAC 2-7-5 and 326 IAC 2-7-6. The requirement for the railcar unloading station has been revised so that only abnormal emissions, rather than any emissions, require response steps.

The definition of "normal" has been clarified in Condition D.4.4(e) (now 4.3(d)). This portion of the condition merely defines the term ~~normal~~ in regards to the appearance of emissions from the processes included in the condition. If no visible emissions are observed from a process at least 80% of the time that the process is in operation, then ~~normal~~ operation for that process means no visible emissions.

Condition D.4.3 (formerly D.4.4) has been revised as follows:

D.4.43 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of the railcar unloading station openings shall be performed once per ~~shift~~ **week** during normal daylight operations when unloading coal. A trained employee shall record whether ~~any~~ emissions are ~~observed~~ **normal or abnormal**.
- (b) Visible emission notations of each of the baghouse exhausts for the coal crusher house, coal sample house/breaker building, and coal tripper floor shall be performed once per ~~shift~~ **week** during normal daylight operations when the corresponding coal processing or conveying equipment 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 railcar 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 **from the coal unloading station or** at a coal handling 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.
- (~~e~~)(d) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, **at least** eighty percent (80%) of the time the process is in operation.
- (~~f~~)(e) 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~~)(f) 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.

Comment 54:

Condition D.4.5(a) Baghouse Parametric Monitoring

Strike this Condition. IDEM does not have the authority to require this type of monitoring or require baghouse operation under relevant regulation or permit. In addition, if IDEM is requiring visible notations of the exhaust stacks, then this is establishing multiple parametric monitoring requirements on operations that generate minimal particulate and in some cases the potential to emit is less than the actual process weight limit.

Monitoring once per shift is more stringent than other Title V monitoring IDEM has proposed for larger sources of particulate. If not struck, change to once per day monitoring.

It is not possible to collect 100% of the data required and because this is not a requirement already required by regulation or permit, IDEM should not require sources to report deviations if 100% of the data is not collected.

Finally, the 3.0 and 6.0 inches of water is not indicative of normal operation. If not struck, the permit should state *normal range* only instead of specifying an arbitrary level.

~~*Y*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~~

Condition D.4.5(b) Baghouse Parametric Monitoring

IDEM cannot require that the instruments shall be calibrated in accordance with the manufacturer=s specification. These specifications may not exist or be practical.

Response to Comment 54:

Pursuant to 326 IAC 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 authority to include any necessary monitoring and recordkeeping requirements in a Part 70 permit. Visible emission notation ensures compliance with the opacity limits in 326 IAC 5. However, the opacity limit does not have a direct relationship with the PM emission limits. Compliance with the opacity limit does not necessarily ensure compliance with the PM emission limits.

The monitoring of the pressure drop of the baghouses provides an indication of whether the control device is operating properly. Monitoring of the pressure drop can alert the operator to relative changes (such as dust cake resistance) or failed bags, over a period of time. The operator can use this information to chart trends and determine if the unit is operating within the optimal range as determined by baseline testing of the unit and manufacturer=s specifications.

Pressure drop is an indicator of a variety of conditions within the baghouse or bin vent filter. Any deviations from the normal operational range of the unit, whether gradual or sudden, should alert the operator that the unit needs maintenance.

The requirements to measure the pressure drops across the baghouses and bin vent filters will not be deleted from the permit. However, upon further review, IDEM has determined that once per week monitoring of the control device is generally sufficient for coal handling to ensure proper operation of the control device. IDEM has also determined that these monitoring frequencies are sufficient to satisfy the requirements of the Part 70 rules at 326 IAC 2-7-5 and 326 IAC 2-7-6.

Failure to include a specific range for the pressure drop under normal baghouse conditions would make the parametric monitoring requirement less enforceable. Prior to the start of the public notice period for the draft permit, the OAQ requested the pressure drop range for each of the baghouses at the Michigan City plant. The Permittee did not provide this information before the start of the public comment period; therefore, a typical pressure drop range was used in the draft permit. In a December 13, 2004, telephone conversation, Kelly Carmichael of NiSource indicated that the pressure drop range should be 1 inches to 8 inches.

Instrumentation must be calibrated for any readings to be usable. If the Permittee can demonstrate that some specifications other than those provided by the gauge manufacturer are a better guide for calibration of the equipment, a permit amendment may be requested.

Condition D.4.4 (formerly D.4.5) has been revised as shown.

D.4.54 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 handling at least once per ~~shift~~ **week** when the corresponding coal processing or conveying equipment is in operation. When for any one reading, the pressure drop across the baghouse is outside the normal range of ~~3.0~~ **1.0** and ~~6.0~~ **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.

D.4.86 Record Keeping Requirements

- (b) To document compliance with Condition D.4.54, the Permittee shall maintain records of the ~~total static~~ pressure drop across each baghouse.

Comment 55:

Condition D.4.6 Baghouse Inspections

Strike this Condition. It is excessive, duplicative and is not grounded in regulatory authority. See comments above.

If this Condition is not struck, quarterly bag inspections for this baghouse would be excessive. Inspections should be done yearly or if a problem is detected.

Response to Comment 55:

See the Response to Comment 9. Upon further review, 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.

Comment 56:

Condition D.4.7(b) Broken or Failed Bag Detection

IDEM does not have the regulatory authority to shut operations down especially if no underlying requirement is being exceeded. In an extreme case, this requirement could shut down coal feed to units and cause a power outage.

Most of these baghouses evacuate areas, not for air pollution control, but for dust removal from the area. For example, the coal crushers are in complete enclosures that are evacuated and enclosed inside a building. The baghouse evacuates the crusher to prevent dust buildup. In the event of a bag failure the most prudent action may be to shutdown the baghouse and replace the bag. Continued operations are still controlled by double enclosures and can comply with all requirements.

Response to Comment 56:

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.4.5 (formerly D.4.7), operations may continue if the event qualifies as an emergency as defined in Condition B.11 (Emergency Provisions) 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.

Upon further review, IDEM has decided to revise Condition D.4.5 (formerly D.4.7) 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.

D.4.75 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.~~
- (ba) 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 baghouses **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 line. 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 57:

Conditions D.4.8(a), (b), (c) & (d) Record Keeping Requirements

Strike these Conditions. The monitoring is not warranted for these minimal emission points and a PMP is not required for this source.

Response to Comment 57:

The compliance monitoring conditions corresponding to parts (a) and (b) of Condition D.4.8 (now D.4.6) remain in the permit, therefore those record keeping requirements are appropriate. However, the inspection requirements and the corresponding record keeping requirements previously included in parts (c) and (d) have been deleted as shown in the Response to Comment 9 above.

Comment 58:

Condition D.5.4 Visible Emissions Notations

See comments to Condition D.4.4 and its subparts. In addition, strike reference to silo bay door monitoring. IDEM does not have the authority to require this monitoring.

Condition D.5.4(c) Visible Emissions Notations

This operation is done inside the building and therefore not an air pollution source. Strike this Condition.

Response to Comment 58:

Exhausting into the building does not assure that no particulate matter will be emitted. Any PM that is not captured during the ash unloading will be released to the atmosphere when the overhead doors are open to allow the ash haul trucks to enter and exit the enclosure.

The requirement for the silo unloading station openings has been revised so that only abnormal emissions, rather than any emissions, require response steps. As noted in the description of the fly ash handling facilities, the silo unloading station is enclosed and the overhead doors with an interlock system are closed when ash trucks are being loaded. This additional control system was previously added in response to dust complaints from adjacent property owners and users of the harbor. The condition has been clarified to indicate that a trained employee may note that the doors are completely closed in lieu of noting if emissions are normal or abnormal.

Upon further review, IDEM has determined that once per day monitoring of the control devices is generally sufficient for fly ash handling. IDEM has also determined that this monitoring frequency is sufficient to satisfy the requirements of the Part 70 rules at 326 IAC 2-7-5 and 326 IAC 2-7-6.

Condition D.5.4 (now D.5.3) has been revised as shown.

D.5.43 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, or notations that the ash silo bay doors are completely closed, shall be performed at least once per ~~shift~~ **day** during normal daylight operations when ash is being unloaded. A trained employee shall record **either of the following**:
- (1) whether all silo bay doors are completely closed during ash unloading, or
 - (2) ~~if any~~ **whether** emissions ~~are observed~~ **are normal or abnormal**.
- (b) Visible emission notations of the ash silo bin vent filter exhaust shall be performed at least once per ~~shift~~ **day** during normal daylight operations when transferring ash to or from the silo. A trained employee shall record whether emissions are normal or abnormal.
- (c) Visible emission notations of the nozzle of the telescoping chute shall be performed at least once per ~~shift~~ **day** during normal daylight operations when transferring ash from the silo. 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,~~ **incomplete closure of a silo bay door is** 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 **from an ash silo unloading station opening**, 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.
- (f) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, **at least** 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.

Comment 59:

Condition D.5.5 Bin Vent Filter Inspections

Strike this Condition. IDEM does not have the authority to add monitoring requirements for these minimal emission sources.

In addition, the AP-42 uncontrolled emissions are less than the process weight limits. Therefore, monitoring is not required because the uncontrolled emissions are less than the limit.

In addition, taking 100% of the readings cannot reasonably be accomplished. IDEM is forcing parametric monitoring, without going through rulemaking, that cannot be complied with 100% of the time.

Response to Comment 59:

See the Response to Comments 9 and 52 above.

Upon further review, 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.

Comment 60:

Condition D.5.6 Record Keeping Requirements

Strike this Condition. The record keeping is not associated with required monitoring, and a PMP is not required for this source. See associated comments above concerning monitoring and PMPs.

Response to Comment 60

The inspection requirements and the corresponding record keeping requirements previously included in parts (b) and (c) have been deleted as shown in the Response to Comment 9 above. Part (a) of Condition D.5.6 (now D.5.4) has been revised to reflect the changes made to Condition D.5.3 in the Response to Comment 58.

D.5.64 Record Keeping Requirements

- (a) To document compliance with Condition D.5.43, the Permittee shall maintain records of the notations of the **ash silo bay doors closure or the visible emission notations of the** ash silo unloading station doorways, and the visible emission notations of the bin vent filter exhaust and the telescoping chute nozzle.

Comment 61:

Condition D.6.3 Visible Emissions Notations

See comments to Condition D.4.4 and its relevant subparts.

Condition D.6.4 Record Keeping Requirements

Strike this Condition. The record keeping is not associated with required monitoring, and a PMP is not required for this source. See associated comments above concerning monitoring and PMPs.

Response to Comment 61:

Compliance monitoring conditions such as these requirements to perform visible emission notations, are required in order to demonstrate continuous compliance with the permit requirements, pursuant to 326 IAC 2-7-5(3). Visible emission notations are used to indicate compliance with 326 IAC 5-1 and the fugitive dust emission limits pursuant to 326 IAC 6-4-2. However, the condition has been revised as shown.

D.6.2 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 - ~~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.
- (c) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, **at least** 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.

Comment 62:

Section D.9

Strike this whole Section. These processes are discharged inside and therefore not regulated.

Response to Comment 62:

See the Response to Comment 58, above, regarding particulate matter discharged in an enclosure. There has been no change in response to this comment.

Comment 63:

Section E & F

Synchronization of the expiration dates of the Acid Rain Permits and NO_x Budget Permits would be helpful. Please synchronize if possible. Please see our previous comments on this matter in comments for Condition B.2 and B.13(b).

Response to Comment 63:

See the Response to Comment 4, above, regarding the synchronization of expiration dates. There has been no change in response to this comment.

Comment 64:

The Phase II Acid Rain Permit is supposed to be a stand-alone permit that is attached as an appendix and is supposed to contain all applicable Acid Rain requirements. Therefore, the Conditions E.1 and E.2 should be deleted as they are duplicative of the conditions contained in the Acid Rain Permit.

If this permit is not restructured to have the Phase II Acid Rain Permit attached as an appendix without any additional unnecessary Title V permit conditions, at a minimum Condition E.1 should be modified as follows:

~~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.~~

In addition, Condition E.2 should be deleted as it is duplicative of the conditions contained in the Phase II Acid Rain Permit.

Response to Comment 64:

The Acid Rain Permit is a stand-alone permit, with its own expiration date, and does contain the applicable Acid Rain requirements. However, the Part 70 permit must include all the applicable requirements for the source, including the Acid Rain requirements. Because the Acid Rain provisions are a major portion of the applicable requirements for the electric power plants, IDEM determined that it was not sufficient to merely attach the Acid Rain permit as an Appendix which could easily become separated. Condition E.1 (Acid Rain Permit) was included to incorporate the applicable Acid Rain requirements in the body of the Part 70 permit without duplicating the specifics of the Acid Rain permit.

Condition E.2 (Title IV Emissions Allowances) is a specific Part 70 permit requirement, taken directly from 326 IAC 2-7-5(4) (Part 70 Permit Program - Permit Content).

There has been no change in response to this comment.

Comment 65:

Section F Nitrogen Oxides Budget Trading Program

Pursuant to 326 IAC 10-4-4 the Nitrogen Oxide Budget permit is a stand-alone permit and not a section of a Title V permit. This permit should be referenced in the Title V permit but be a separate document as is done with the Acid Rain permit.

Descriptive information contained prior to Condition F.1 should be revised to be consistent with the descriptive information used previously in this permit.

Condition F.6 Record Keeping Requirements

In addition, the last sentence of the paragraph after Condition F.6(d) that references ^ASection C ^B General Record Keeping Requirements of this permit[@] should be deleted since this NO_x Budget permit is supposed to be an independent permit from the Title V permit.

Response to Comment 65:

326 IAC 10-4-7 (Nitrogen Oxides Budget Trading Program - Permit Requirements) states:

- (a) For each NO_x budget source required to have a federally enforceable permit, the permit shall include a NO_x budget permit administered by the department as follows:
 - (1) For NO_x budget sources required to have a Part 70 operating permit under 326 IAC 2-7, 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 this section or section 13 of this rule.

Therefore, for a Part 70 source, the NO_x budget permit was clearly anticipated to be issued as part of the Part 70 permit.

The boiler descriptions in the box at the beginning of Section F are consistent with the descriptions in Condition A.2 and Sections D.1 and D.2. There has been no change in response to this comment.

Comment 66:

Condition F.8(c) Liability

The language of Condition 8(c) appears to conflict and interfere with the ability of the permit holder to obtain and utilize legal remedies or judgments that revise the requirements applicable to the permit holder prior to the revision of the permit reflecting those changes. We recommend the following revision to remove this impediment:

- (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 **unless otherwise allowed by law.**

Response to Comment 66:

The wording of F.8(c) is taken directly from 326 IAC 10-4-4(f)(3) (Nitrogen Oxides Budget Trading Program - Standard Requirements). There has been no change in response to this comment.

Upon further review, the IDEM Office of Air Quality (OAQ) has made the following additional changes to the permit (bolded language has been added, the language with a line through it has been deleted). The Table Of Contents has been modified to reflect these changes, and has been corrected as needed to correctly match the condition names and rule cites shown in the rest of the permit.

Revision 1

The Title V permits are now being signed by Nisha Sizemore, Branch Chief for the OAQ Permits Branch. Therefore, the signature block on the cover page has been revised as shown:

Operation Permit No.: T147-6786-00020	
Issued by: Janet G. McCabe, Assistant Commissioner Nisha Sizemore, Permits Branch Chief Office of Air Quality	Issuance Date: Expiration Date:

Revision 2

The following updates have been included to further address and clarify the permit term and the term of the conditions; former Condition B.4 is now Condition B.25.

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)] [IC13-15-3-6(a)]**

- (a) This permit, **T091-6637-00021**, is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit or of permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).
- (b) **If IDEM, OAQ, upon receiving a timely and complete renewal permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.**

B.3 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.**

B.4-25 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.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 T091-6637-00021 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 combined permit, all** All previous registrations and permits are superseded by this **combined new source review and Part 70 operating** permit, except for permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

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

- (b) ~~Timely Submittal of Permit Renewal [326 IAC 2-7-4(a)(1)(D)]~~
- ~~(1)~~ A timely renewal application is one that is:
- ~~(A)(1)~~ Submitted at least nine (9) months prior to the date of the expiration of this permit; and
 - ~~(B)(2)~~ If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- ~~(2)~~ ~~If IDEM, OAQ, upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.~~
- (c) ~~Right to Operate After Application for Renewal [326 IAC 2-7-3]~~
If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application.
- ~~(d)~~ ~~United States Environmental Protection Agency Authority [326 IAC 2-7-8(e)]~~
~~If IDEM, OAQ, fails to act in a timely way on a Part 70 permit renewal, the U.S. EPA may invoke its authority under Section 505(e) of the Clean Air Act to terminate or revoke and reissue a Part 70 permit.~~

Revision 3

The mailing address of IDEM has changed; the post office box address is no longer being used. The address has been updated in Conditions B.9 (Annual Compliance Certification), B.11 (Emergency Provisions), B.14 (Deviations from Permit Requirements and Conditions), B.16 (Permit Renewal), B.17 (Source Modification), B.18 (Permit Amendment or Modification), B.20 (Operational Flexibility), B.22

(Transfer of Ownership or Operational Control), C.9 (Performance Testing), C.11 (Compliance Monitoring), C.15 (Emergency Reduction Plans), C.19 (Emission Statement), C.21 (General Reporting Requirements), D.3.12 (Reporting Requirements), and F.7 (Reporting Requirements) and on the Emergency Occurrence report form, as shown:

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

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
100 North Senate Avenue
~~P.O. Box 6015~~
Indianapolis, Indiana ~~46206-6015~~ **46204-2251**

Revision 4

Condition B.8 has been revised for clarity; the source has only one designated responsible official.

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 **the** "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 The** "responsible official" is defined at 326 IAC 2-7-1(34).

Revision 5

In an IDEM OAQ Nonrule Policy Document, a table is given as an example for how sources can submit annual compliance certifications. B.9 Annual Compliance Certification is being revised to remove "in letter form" so that it does not contradict the guidance.

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

- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. The initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year. All subsequent certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted ~~in letter form~~ no later than July 1 of each year to:

Revision 6

Conditions B.17 (Source Modification), C.20 (General Record Keeping Requirements) and C.21 (General Reporting Requirements) have been revised to include new NSR reform requirements.

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

- (d) **Any modification at an existing major source in an area designated as attainment or unclassifiable is governed by the requirements of 326 IAC 2-2-2.**

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

- (a) Records of all required monitoring data, reports and support information required by this permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be physically present or electronically accessible at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.
- (c) **Pursuant to 326 IAC 2-2-8(b) and/or 326 IAC 2-3-2(m), 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(II)) at an existing emissions unit, other than projects at a Clean Unit, 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 a significant emissions increase and the Permittee elects to use 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(II)) 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 (NSR) 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 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 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 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.
- (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(II)) 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
Compliance Branch, 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 Aproject@ (as defined in 326 IAC 2-2-1(qq) and/or 326 IAC 2-3-1(II)) 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 a project at an existing emissions unit other than an 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
Compliance Branch, 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. [326 IAC 2-2-8(c) and/or 326 IAC 2-3-2(m)(6)]

Revision 7

Upon further review, IDEM has decided to remove (e) concerning nonroad engines from 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.

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

- ~~(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.~~

Revision 8

IDEM has clarified the Section B Operational Flexibility condition 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:

- (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 ~~emissions allowable~~ **under 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, P. O. Box 6015
Indianapolis, Indiana ~~46206-6015~~ **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, ~~on a rolling five (5) year basis~~, 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.

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 ~~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.~~
- (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.**

Revision 9

An additional rule cite has been added to the title line of Condition B.21.

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

Revision 10

Condition B.23 (Annual Fee Payment) has been revised due to the reorganization and renaming of the OAQ section that handles billing.

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

- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, ~~MM~~ & Billing, **Licensing, and Training** Section), to determine the appropriate permit fee.

Revision 11

The 326 IAC 6-3 revisions that became effective on June 12, 2002 were approved into the State Implementation Plan on September 23, 2005. These rules replace the previous version of 326 IAC 6-3 (Process Operations) that had been part of the SIP; therefore, the requirements of the previous version of 326 IAC 6-3-2 are no longer applicable to this source. Condition C.1 has been revised to remove (a)

which contained these requirements; and since the requirements of the 326 IAC 6-3-2(d) that were effective June 12, 2002 are now federally enforceable, the last statements from C.1 and D.1.9 have 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 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]

- (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 **control** 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:

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:

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

Revision 12

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) (A 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 6015
Indianapolis, Indiana ~~46206-6015~~ **46204-2251**

The emission statement does require the certification by the Aresponsible 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.

Revision 13

The uncontrolled potential to emit (PTE) of NO_x for auxiliary boiler AUX1 was initially calculated to be less than 40 tons per year for Significant Source Modification 091-16184-00021. However, performance testing found that the NO_x emission rate was higher than anticipated, and an additional annual limit was determined to be necessary to ensure that Major New Source Review requirements did not apply. Significant Source Modification 091-19272-00021 included a 36.8 tons per year NO_x emission limit. However, SSM 19272 was not issued prior to the release of the draft version of the Part 70 permit, which instead included an annual fuel use limit. Only one of these limits is necessary.

In a March 13, 2006 E-mail, Kelly Carmichael of NiSource chose the NO_x emission limit. Therefore, Conditions D.3.2, D.3.9 (formerly D.3.11), and D.3.11 (formerly D.3.13), and the corresponding quarterly report form have been revised, and a new Condition D.3.10 (CEMS Missing Data Substitution) has been added.

D.3.2 Nitrogen Oxides Emission Limitation [326 IAC 2-1.1-5] [326 IAC 2-2]

~~In order to make the requirements of Major New Source Review not applicable to boiler AUX1, the natural gas usage for boiler AUX1 shall not exceed 714 million cubic feet (MMCF) per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month. Compliance with this fuel usage limit and the emission limit in D.3.1 are necessary to render the requirements of Major New Source Review not applicable.~~

The NO_x emissions from the auxiliary boiler (AUX1) shall not exceed 36.8 tons per twelve (12) consecutive month period with compliance determined at the end of each month. Compliance with this limit shall render the requirements of Major New Source Review not applicable to the auxiliary boiler (AUX1).

D.3.419 Continuous Emissions Monitoring [326 IAC 3-5] [326 IAC 12] [40 CFR 60, Subpart Db]

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and 40 CFR 60.47b and 60.48b (for Subpart Db), a continuous **emissions** monitoring system (**CEMS**) shall be calibrated, maintained, and operated for measuring NO_x and either CO₂ or O₂ from Stack AUX1 which meets the performance specifications of 326 IAC 3-5-2 **and 3-5-3**.

- (b) Pursuant to 326 IAC 3-5-1(d)(1), the Permittee is required to use a CEMS to demonstrate compliance with Condition D.3.2 as allowed under the Clean Air Act and 326 IAC 3-5.
- (1) The CEMS shall measure NO_x emissions rates in pounds per hour and/or pounds per million British thermal units.
- (2) The CEMS shall be in operation at all times when the auxiliary boiler (AUX1) is in operation.
- ~~(b)(c)~~ Pursuant to 326 IAC 3-5-4, if revisions are made to the continuous monitoring standard operating procedures (SOP), the Permittee shall submit updates to the department biennially.
- ~~(e)(d)~~ 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 or 40 CFR 60.

D.3.10 CEMS Missing Data Substitution [326 IAC 2-2] [326 IAC 2-1.1-5]

In order to demonstrate compliance with Condition D.3.2, whenever the NO_x CEMS is malfunctioning or is down for maintenance or repairs, until a NO_x CEMS is brought back online, the Permittee shall calculate the hourly NO_x emission rate using the following fuel usage equation, which includes the NO_x emission rate limit required in Condition D.3.1 and a maximum fuel heat content of 1,030 million British thermal units per million cubic foot of natural gas:

$$\text{NO}_x \text{ emissions (lbs/hr) = natural gas usage (MMCF/hr) * 0.1 (lbs/mmBtu) * 1,030 (mmBtu/MMCF)}$$

D.3.4311 Record Keeping Requirements

- (a) To document compliance with Conditions D.3.1 and D.3.408, the Permittee shall maintain records in accordance with 40 CFR 60.49b.
- (b) To document compliance with Condition D.3.2, the Permittee shall maintain records of the ~~monthly natural gas usage for AUX1, in MMCF~~ **monthly NO_x emissions from the auxiliary boiler (AUX1).**
- (c) ~~To document compliance with Condition D.3.9 the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~
Records for the CEMS shall be maintained in accordance with 326 IAC 3-5-6.
- (d) **To document compliance with Condition D.3.10, the Permittee shall maintain records of the natural gas usage for AUX1, in MMCF, for each hour until a NO_x CEMS is back online.**
- ~~(d)(e)~~ All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

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

Part 70 Quarterly Report: Auxiliary Boiler ~~Natural Gas Usage~~ **NO_x Emissions**

Source Name: Northern Indiana Public Service Company (NIPSCO)
 Michigan City Generating Station
 Source Address: 101 North Wabash Street, Michigan City, Indiana 46360
 Mailing Address: Arthur E. Smith, 801 E. 86th Avenue, Merrillville, Indiana, 46410
 Part 70 Permit No.: T091-6637-00021
 Facilities: Auxiliary Boiler AUX1
 Parameter: Minor PSD Limit (NO_x **Emissions**)
 Limit: ~~714 million cubic feet of natural gas used~~ **Not to exceed 36.8 tons per twelve (12) consecutive month period with compliance determined at the end of each month.**

MONTHS _____ **to** _____ **YEAR:** _____

Month	Column 1	Column 2	Column 1 + Column 2
	Natural Gas Usage NO_x Emissions (tons) This Month (MMCF)	Natural Gas Usage NO_x Emissions (tons) Previous 11 Months (MMCF)	Total Natural Gas Usage Total NO_x Emissions (tons) 12 Month Period (MMCF)
Month 1			
Month 2			
Month 3			

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

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Telephone: _____

Attach a signed certification to complete this report.

Revision 14

326 IAC 6-4 does not require the Permittee to take reasonable measures to mitigate fugitive dust during adverse weather conditions. Additionally, this may not even be practical, for safety reasons, depending on the type of adverse weather conditions. Therefore, Condition D.6.1 has been revised as follows:

D.6.1 Fugitive Dust Emission Limitations [326 IAC 6-4-2]

Pursuant to 326 IAC 6-4-2:

- (b) ~~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.~~

Revision 15

Condition F.4 (Nitrogen Oxides Requirements) has been revised because the permit is being Proposed after the May 31, 2004, applicability date.

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

- (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)(d) 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)(e) 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)(f) A NO_x allowance allocated under the NO_x budget trading program does not constitute a property right.
- (h)(g) 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.

Revision 16

The Quarterly Deviation and Compliance Monitoring Report has been revised to be consistent with Section B - Deviations from Permit Requirements and Conditions, as follows:

~~Deviations that are~~ **A deviation** required to be reported by **pursuant to** an applicable requirement **that exists independent of the permit**, shall be reported according to the schedule stated in the applicable requirement and ~~de~~ **does** not need to be included in this report.

Revision 17

On September 29, 2004, U.S. EPA issued a Notice of Violation (NOV) to NIPSCO for the Bailly, Schahfer, and Michigan City stations. Place-holder language has been included to ensure that the Part 70 permit shield does not apply to the units identified in this NOV. The identified unit at the Michigan City station is Unit 12; therefore, the place-holder language has been added to Section D.2.

D.2.0 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 Boiler 12. Compliance with the terms of this permit does not serve as proof of compliance for Boiler 12 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.

EPA Comment

On July 6, 2006, Ethan Chatfield of U.S. EPA Region 5 submitted the following comment on the proposed Part 70 permit:

Condition D.3.11(a), D.3.12(a)(1): Citing 40 CFR 60.49b does not provide enough specificity to determine the applicable requirements. Please incorporate the applicable requirements directly into the permit or provide more specific citations so it is clear which of the requirements specified in 60.49b apply to this facility.

Response to EPA Comment

More specific rule cites have been added to Conditions D.3.11(a) and D.3.12(a)(1), as shown below. The requirements of 40 CFR 60.49b regarding notification of the date of initial startup, the initial performance test, and the performance evaluation of the NO_x CEMS have not been included in the reporting condition because those requirements have already been fulfilled for the unit.

D.3.11 Record Keeping Requirements

- (a) To document compliance with Conditions D.3.1 and D.3.8, the Permittee shall maintain records in accordance with 40 CFR 60.49b**(g)**.

D.3.12 Reporting Requirement

- (a) Pursuant to 40 CFR 60, Subpart Db (Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units):
- (1) To document compliance with the NO_x limit of Condition D.3.1, the Permittee shall submit reports in accordance with 40 CFR 60.49b**(i)**.

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)
 Michigan City Generating Station
Source Location: 100 North Wabash Street, Michigan City, Indiana, 46360
County: LaPorte
SIC Code: 4911
Operation Permit No.: T091-6637-00021
Permit Reviewer: Vickie Cordell

The Office of Air Quality (OAQ) has reviewed a Part 70 permit application from Northern Indiana Public Service Company (NIPSCO) Michigan City 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 Michigan City Generating Station consists of the following emission units and pollution control devices:

- (a) Three (3) natural gas-fired boilers, identified as Boiler 4, Boiler 5, and Boiler 6, each with a design capacity of 482 million Btu per hour (MMBtu/hr), exhausting to Stack 1, Stack 2, and Stack 3, respectively, each with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x). Installation of Boilers 4 and 5 was completed in 1950 and installation of Boiler 6 was completed in 1951.
- (b) One (1) cyclone coal-fired boiler, identified as Boiler 12, with a design heat input capacity of 4650 million Btu per hour (MMBtu/hr), with construction completed in May 1974, with an electrostatic precipitator (ESP) with a flue gas conditioning (FGC) system for control of particulate matter, exhausting to Stack 4. Natural gas will be fired during startup, shutdown, and malfunctions. Boiler 12 has a selective catalytic reduction (SCR) system for NO_x control, and has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system.
- (c) One (1) natural gas-fired auxiliary boiler, identified as AUX1, rated at 109 million Btu per hour (MMBtu/hr), installed in 2003, equipped with low NO_x burners, exhausting to Stack AUX1, with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x).
- (d) A coal storage and handling system for Boiler 12, completed before May 1974.
 - (1) One (1) railcar unloading station with particulate emissions controlled by wet suppression and partial enclosure, with a maximum throughput of 1500 tons of coal per hour.
 - (2) An enclosed conveyor system to the coal storage pile(s), 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) and coal pile unloading, with fugitive dust emissions controlled by compaction and wet suppression.
 - (4) Coal conveyors and the coal junction house, with carryover wet suppression, additional wet suppression and/or foam application, and enclosed transfer points.
 - (5) Coal crusher house, with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.
 - (6) Coal sample house/breaker building with a baghouse for PM control, with carryover wet suppression for PM control and enclosed transfer points within an enclosure for ancillary dust control.
 - (7) Coal tripper floor to coal bunkers, with a baghouse for PM control, with enclosure for ancillary dust control.
- (e) Dry fly ash handling, installed in 1997, including the following:
- (1) Vacuum conveyance of fly ash to a storage silo with particulate emissions controlled by a bin vent filter, with a design throughput rate of 9.3 tons per hour.
 - (2) One (1) enclosed fly ash silo unloading station with a design unloading capacity of 200+ tons per hour, used to load dry fly ash to pneumatic trucks, with particulate emissions controlled by the use of a telescoping chute with a vacuum system and a bin vent filter. Overhead doors with an interlock system are closed when ash trucks are being loaded.
- (f) Wet process bottom ash handling installed in approximately 1950, 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.

Note: Boilers 4, 5, and 6 were originally constructed as coal-fired boilers with natural gas for startup. However, they have been operated solely on natural gas since 1988 to comply with the reduced SO₂ emission limits of 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations).

Unpermitted Emission Units and Pollution Control Equipment

Based on the information submitted in the Part 70 permit application, IDEM has determined that there are no unpermitted emission units operating at this source.

Insignificant Activities

The Michigan City Generating 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) 480,000 BTU boiler in the "A" Building, installed in 1970; one (1) 480,000 BTU boiler in the Gate House, installed in 1964, and one (1) 297,000 BTU boiler in the Relay House (Substation Bldg. #G15) installed in 1953, each used for building heat.
 - (B) 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.

Tank 1, installed in 1979, with a capacity of 1,500 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.

Two (2) diesel fuel tanks, installed prior to 1973, with a combined capacity of 8,000 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) Noncontact cooling tower systems with natural draft cooling towers not regulated under a NESHAP.
- (19) Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.
- (20) Heat exchanger cleaning and repair.
- (21) Process vessel degassing and cleaning to prepare for internal repairs.
- (22) Stockpiled soils from soil remediation activities that are covered and waiting transportation for disposal.
- (23) Paved and unpaved roads and parking lots with public access.
- (24) Conveyors as follows: Underground conveyors.
- (25) Coal bunker and coal scale exhausts and associated dust collector vents.
- (26) Asbestos abatement projects regulated by 326 IAC 14-10.
- (27) 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.
- (28) Flue gas conditioning systems and associated chemicals such as the following: sodium sulfate, ammonia, and sulfur trioxide.
- (29) 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.
- (30) Blowdown for any of the following: sight glass; boiler; compressors; pumps; and cooling tower.
- (31) Other emergency equipment as follows: One (1) stationary fire pump (diesel-fired).
- (32) 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.
- (33) Purge double block and bleed valves.
- (34) Filter or coalescer media changeout.

- (35) Vents from ash transport systems not operated at positive pressure.
- (36) A laboratory as defined in 326 IAC 2-7-1(21)(D).
- (37) 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:
 - (a) Source-wide paved roads (vehicle traffic).
 - (b) Coal pile wind erosion.
 - (c) Poned bottom ash handling and removal.
 - (d) Evaporation of boiler chemical cleaning liquids.

Existing Approvals

The Michigan City Generating Station has been constructed or has been operating under previous approvals including, but not limited to, the following:

- (a) Operation Permit No. 46-05-90-0197, issued October 3, 1988, for Boiler 4.
- (b) Operation Permit No. 46-05-90-0198, issued October 3, 1988, for Boiler 5.
- (c) Operation Permit No. 46-05-90-0199, issued October 3, 1988, for Boiler 6.
- (d) Operation Permit No. 46-05-90-0200, issued October 3, 1988, for Boiler 12.
- (e) Operation Permit No. 46-05-90-0201, issued October 3, 1988, for the breaking and crushing facilities associated with the fuel and ash handling systems.
- (f) Operation Permit No. 46-05-90-0202, issued October 3, 1988, for the unloading storage and conveying facilities associated with the fuel and ash handling systems.
- (g) Registration CP 091-2245-00021, issued January 14, 1992, for an ESP upgrade.
- (h) Exemption CP 091-8715-00021, issued September 3, 1997, for installation of a dry fly ash handling system for Boiler 12.
- (i) Exemption CP 091-9566-00021, issued April 7, 1998, for an overfire air (OFA) system for Boiler 12.
- (j) Significant Source Modification 091-16184-00021, issued March 4, 2003, for auxiliary boiler AUX1.
- (k) Acid Rain Permit 091-5301-00021, 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 ~~strikeout~~ font):

From Significant Source Modification 091-16184-00021, issued March 4, 2003:

- (a) New Source Performance Standard (NSPS) [326 IAC 12] [40 CFR 60, Subpart Db] Pursuant to 326 IAC 12 and 40 CFR 60, Subpart Db (Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units), emissions from the one (1) auxiliary boiler shall not exceed the following:

One-tenths (0.10) pound NO_x per million Btu (MMBtu) heat input for a low heat release rate. ~~This limitation is based on the equation in [40 CFR 60.44b(l)].~~

Reason for revision:

The equation in 40 CFR 60.44b(l) is used to determine the NO_x limit for low heat release facilities that fire multiple fuels. AUX1 fires only natural gas; therefore, the equation is not applicable.

- (b) **Nitrogen Oxides Emission Limitation [326 IAC 2-1.1-5] [326 IAC 2-2]**
In order to make the requirements of Major New Source Review not applicable to boiler AUX1, the natural gas usage for boiler AUX1 shall not exceed 714 million cubic feet (MMCF) per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month. Compliance with this fuel usage limit and the emission limit in D.3.1 are necessary to render the requirements of Major New Source Review not applicable.

Reason for revision:

The boiler manufacturer's stated NO_x emission rate of 0.07 lb/MMBtu was used in the Source Modification calculations to determine that the addition of the auxiliary boiler is not subject to PSD requirements. However, NO_x emissions are allowed up to the Subpart Db limit of 0.1 lb/MMBtu, and initial monitoring results for the boiler indicated that at times the unit was exceeding the manufacturer's guaranteed value while still remaining in compliance with the NSPS limit. Additional work will need to be performed on the boiler before the unit can reliably achieve the expected emission rate. Also, the Permittee has indicated that a Predictive Emissions Monitoring System (PEMS) might be used in lieu of the NO_x CEMS in the future. Therefore, an additional fuel use limit has been added to ensure that NO_x emissions from the auxiliary boiler remain below 40 tons per year. This limit also prevents the boiler from being subject to Nonattainment New Source Review for ozone under the 8-hour standard.

The calculations used in setting this limit are included as **Appendix B** to this TSD. The emissions from the unit have not triggered nonattainment NSR requirements for ozone or PSD requirements for NO_x before the addition of this fuel limit. The boiler has been operated with the emissions monitored using a NO_x CEMS, and the unit has mostly been idle since installation.

- (c) **Reporting Requirements**

~~The natural gas boiler certification shall be submitted to the address listed in Section C—General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or it's equivalent, within thirty (30) days after the end of the six (6) month period being reported. The natural gas fired boiler certification does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).~~

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

PART 70 OPERATING PERMIT
SEMI-ANNUAL NATURAL GAS-FIRED BOILER CERTIFICATION~~**

Source Name: ~~_____ NIPSCO Michigan City Generating Station~~
Source Address: ~~_____ 100 North Wabash Street, Michigan City, IN 46360~~
Mailing Address: ~~_____ 801 East 86th Avenue, Merrillville, IN 46410~~
Source Modification No. : ~~_____ 091-16184-00021~~

<input type="checkbox"/> _____ Natural Gas Only <input type="checkbox"/> _____ Alternate Fuel burned From: _____ To: _____
--

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
Signature:
Printed Name:
Title/Position:
Phone:
Date:

A certification by the responsible official as defined by 326 IAC 2-7-1(34) is required for this report.

Reason for revisions: This reporting requirement and the accompanying Semi-Annual Natural Gas-Fired Boiler Certification form are not needed for AUX1 because by design the unit can fire only natural gas; it is not necessary to periodically certify this method of operation.

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

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Part 70 permit be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An 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; January 22, 2004; March 15, 2004; March 29, 2004; April 30, 2004, and May 5, 2004.

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 100
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
Hexane	greater than 10
Arsenic	less than 10
Beryllium	less than 10
Cadmium	less than 10
Chromium	less than 10
Cyanide	less than 10
Formaldehyde	less than 10
Lead	less than 10
Manganese	less than 10
Mercury	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, VOC, CO, and PM-10 are equal to or greater than 100 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (b) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of any single HAP is equal to or greater than ten (10) tons per year, and the potential to emit (as defined in 326 IAC 2-7-

1(29)) of a combination 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, the fugitive emissions are counted toward determination of PSD and Emission Offset applicability.

Actual Emissions

The following table shows the actual emissions from the Michigan City Station. This information reflects the 2002 OAQ emission data.

Pollutant	Actual Emissions (tons/year)
PM-10	752
SO ₂	9178
VOC	77
CO	355
NO _x	9812

County Attainment Status

The source is located in LaPorte County.

Pollutant	Status
PM-10	attainment
SO ₂	maintenance
1-hour Ozone	attainment
8-hour Ozone	nonattainment
CO	attainment
Lead	attainment

- (a) Volatile organic compounds (VOC) and Nitrogen Oxides (NO_x) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC and NO_x emissions are considered when evaluating the rule applicability relating to the ozone standards. LaPorte County has been designated as nonattainment for the 8-hour ozone standard. Therefore, VOC and NO_x emissions were reviewed pursuant to the requirements for nonattainment new source review.
- (b) LaPorte County has been classified as attainment or unclassifiable in Indiana 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 assure 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 4, 5, 6 and 12

Boilers 4, 5, and 6 were completed in 1950 and 1951, and Boiler 12 was completed in May 1974, all prior to the initial applicability date for federal Prevention of Significant Deterioration regulation, January 6, 1975.

Note: Boilers 4, 5, and 6 were originally constructed as coal-fired boilers with natural gas for startup. However, they have been operated solely on natural gas since 1988 to comply with the reduced SO₂ emission limits of 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations). The coal handling equipment feeding these three units has been removed. A source modification approval, including possible PSD or Nonattainment New Source Review, would be required before the units would be allowed to fire any fuel other than natural gas.

Auxiliary Boiler

The 109 MMBtu/hr Natural gas-fired auxiliary boiler, identified as AUX1, was installed in 2003. The unit is not subject to PSD requirements because the PTE of NO_x is less than 40 tons per year.

Coal Handling

The coal handling system, including coal conveying equipment, crushers, storage systems, transfer and loading systems for Boilers 4, 5, 6, was constructed in approximately 1950. Modifications to expand the coal handling system to include Boiler 12 were completed by May 1974 when Boiler 12 began operating, prior to the initial applicability date for federal Prevention of Significant Deterioration regulation, January 6, 1975.

Dry Fly Ash Handling

The fly ash handling system installed in 1997 is not subject to PSD requirements because the PTE of particulate is less than 25 tons per year and the PTE of PM-10 is less than 15 tons per year.

40 CFR 60 (New Source Performance Standards)

Boilers 4, 5, 6, and 12

The requirements of the New Source Performance Standard, 326 IAC 12, Standards of Performance for Fossil-Fuel-Fired Steam Generators and Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units (40 CFR 60 Subparts D, Db, and Dc), are not included in the permit for Boilers 4, 5, 6, and 12. Construction of each of these boilers commenced before August 17, 1971. Boilers 4, 5, and 6 were completed in 1950 and 1951. A construction permit application for Boiler 12 was received by the Air Pollution Control Division of the Indiana State Board of Health on April 27, 1971. For purposes of NSPS applicability, construction is determined to have commenced some time prior to that date, when the unit was ordered.

Auxiliary Boiler

The auxiliary boiler AUX1 is subject to the requirements of the New Source Performance Standard, 40 CFR 60 Subpart Db, Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units, because construction commenced in 2002 when the unit was ordered, and the heat input capacity is 109 million Btu/hour. The applicable Subpart Db requirements include:

New Source Performance Standard (NSPS) [326 IAC 12][40 CFR 60, Subpart Db][326 IAC 6-2-1(f)] Pursuant to 326 IAC 12 and 40 CFR 60, Subpart Db (Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units), emissions from the one (1) auxiliary boiler shall not exceed the following:

One-tenths (0.10) pound NO_x per million Btu (MMBtu) heat input for a low heat release rate.

NSPS Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart Db]

- (a) The NO_x emission limitation of NSPS Subpart Db applies at all times, including periods of startup, shutdown, and malfunction.
- (b) Compliance with the NO_x emission limitation of NSPS Subpart Db shall be determined by the methods and procedures specified in 40 CFR 60.46b(e).

Continuous Emissions Monitoring [326 IAC 3-5] [326 IAC 12] [40 CFR 60, Subpart Db]

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and 40 CFR 60.47b and 60.48b (for Subpart Db), a continuous monitoring system shall be calibrated, maintained, and operated for measuring NO_x and either CO₂ or O₂ from Stack AUX1 which meets the performance specifications of 326 IAC 3-5-2.
- (b) Pursuant to 326 IAC 3-5-4, if revisions are made to the continuous monitoring standard operating procedures (SOP), the Permittee shall submit updates to the department biennially.
- (c) 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 or 40 CFR 60.

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

The provisions of 40 CFR 60 Subpart A - General Provisions, which are incorporated as 326 IAC 12-1, apply to the facility described in this section except when otherwise specified in 40 CFR 60 Subpart Db.

Coal Handling

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60 Subpart Y) are not included in the permit for the coal handling system, including coal conveying equipment, crushers, storage systems, transfer and loading systems for Boilers 4, 5, 6, and 12. Construction of these units commenced prior to the Subpart Y applicability date, October 24, 1974. The coal handling system for Boilers 4, 5, and 6 was constructed in approximately 1950. Modifications to expand the coal handling system to include Boiler 12 were completed by May 1974.

Note: 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, if any portion of the coal handling system following the coal storage piles is replaced or reconstructed, that portion of the system will be subject to Subpart Y requirements.

Oil and Gasoline Storage Tanks

Gasoline tank 1, capacity 1500 gallons, installed in 1979, is 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) because they were constructed after May 19, 1978, and 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 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) and 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) 40 CFR 60 Subpart D) are not included in the permit for the two (2) diesel tanks with a combined capacity 8000 gallons, installed prior to 1973. These 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.

Insignificant Activities: VOC and HAP storage tanks:

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR 60 Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984)) are not included in the permit for the storage tanks identified in the application as an insignificant activity, "storage tanks with capacity less than or equal to 1,000 gallons and annual throughput less than 12,000 gallons". The capacity of each vessel is less than 40 cubic meters, which is 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

Section 112(j) Maximum Achievable Control Technology (MACT)

The requirements of Section 112(j) of the Clean Air Act (40 CFR Part 63.50 through 63.56) are not applicable to this source because the source does not include any 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.

Boilers 4, 5, 6, and 12

40 CFR 63, Subpart DDDDD (National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters)

Boilers 4, 5, 6, and 12 are not subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers and Process Heaters, 40 CFR 63, Subpart DDDDD. Each of these units is an electric utility steam generating unit, as defined by 40 CFR 63.7575, because each is a fossil-fired combustion unit of more than 25 megawatts that serves a generator that produces electricity for sale. Pursuant to 40 CFR 63.7491(c), an electric utility steam generating unit is not subject to 40 CFR 63, Subpart DDDDD.

Auxiliary Boiler AUX1

40 CFR 63, Subpart DDDDD (National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters)

The auxiliary boiler AUX1 is subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers and Process Heaters, 40 CFR 63, Subpart DDDDD. Boiler AUX1 comprises one existing affected source for the large gaseous fuel subcategory, as defined by 40 CFR 63.7506(b), because it meets the criteria in the definition in 40 CFR 63.7575 for the large gaseous fuel subcategory. The provisions of 40 CFR 63 Subpart A - General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the affected sources after the effective date of 40 CFR 63, Subpart DDDDD, except when otherwise specified in 40 CFR 63 Subpart DDDDD. This rule is not yet published in the Federal Register. A copy of the signed, final rule is available at <http://www.epa.gov/ttn/atw/boiler/boilerpg.html>.

Although the boiler AUX 1 was installed after the rule applicability date of January 13, 2003, the unit has been determined to be an existing unit pursuant to Subpart DDDDD because commencement of construction occurred when the boiler was ordered in 2002. The construction agreement was signed by NiSource on October 18, 2002, and the purchase order is dated November 26, 2002.

Pursuant to 40 CFR 63.7506(b), the only requirements that apply to the existing affected source for the large gaseous fuel subcategory are the initial notification requirements in 40 CFR 63.9(b). The Permittee shall submit an Initial Notification containing the information specified in 40 CFR 63.9(b)(2) not later than 120 days after the date of publication of the final rule for 40 CFR 63, Subpart DDDDD in the Federal Register, as required by 40 CFR 63.7545(b).

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)

Since this source is required to have an operating permit under 326 IAC 2-7, Part 70 Permit Program, this source is subject to 326 IAC 2-6 (Emission Reporting). The source also has potential

to emit greater than or equal to 2500 tons per year of sulfur dioxide; therefore, an emission statement covering the previous calendar year must be submitted by July 1 annually. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

326 IAC 5-1 (Opacity)

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) each of the following units is considered an "electricity generating unit (EGU)" because it commenced operation before January 1, 1997, and served a generator during 1995 or 1996 that had a nameplate capacity greater than twenty-five (25) megawatts that produced electricity for sale under a firm contract to the electric grid: Boiler 4, Boiler 5, Boiler 6, and Boiler 12. 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 budget permit is in section F of the Part 70 permit. The Technical Support Document for the NO_x budget permit is provided as Appendix A to this Technical Support Document.

Pursuant to 326 IAC 10-4-12(c), the Permittee has installed the appropriate monitoring systems and completed all certification tests as required by 326 IAC 10-4-12(b)(1) through (3) on or before May 1, 2003.

The requirements of 326 IAC 2-7-20(a) and (c) do not apply to emission trades of SO₂ or NO_x in accordance with 326 IAC 21 or 326 IAC 10-4; therefore, no pre-notification of a trade under one of these rules is required.

Auxiliary Boiler AUX1 is not subject to 326 IAC 10-4 because the maximum design heat input is less than two hundred fifty million (250,000,000) Btus per hour.

State Rule Applicability - Individual Facilities

Natural Gas-fired Boilers 4, 5, and 6:

326 IAC 3-5 (Continuous Emissions Monitoring)

Boilers 4, 5, and 6 are not subject to any requirements under this rule because these units operate solely on natural gas and are not required to perform continuous monitoring for a New Source Performance Standard, National Emission Standards for Hazardous Air Pollutants, or a construction permit. The units do have continuous emissions monitoring systems (CEMS) for NO_x pursuant to 326 IAC 10-4 (Nitrogen Oxides Budget Trading Program) and 326 IAC 21 (Acid Deposition Control); however, these programs do not require continuous monitoring standard operating procedures (SOP) pursuant to 326 IAC 3-5-4.

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 forty percent (40%) opacity limit established in 326 IAC 5-1-2. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period. Opacity in excess of forty percent (40%) 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 6-2-1(g) (Particulate Emission Limitations for Sources of Indirect Heating)

Pursuant to 326 IAC 6-2-1(g) (Particulate Emission Limitations for Sources of Indirect Heating), the PM emissions from Boilers 4, 5, and 6 shall not exceed 0.24 pound per million Btu heat input (lb/MMBtu).

Note: This limit is more stringent than the limit that would otherwise be required pursuant to 326 IAC 6-2-3(a) and (b). This limitation was established for these units in Operation Permits 46-05-86-0134, 46-05-86-0135, and 46-05-86-0135, issued May 5, 1981. At that time, the units were still firing coal, and the portion of LaPorte County where the NIPSCO Michigan City plant is located was nonattainment for particulate. Heat input limits were also established for each unit in prior operating permits; however, these limits have been determined to be unnecessary for Boiler 4, 5, and 6 due to the change to gas-only operation.

326 IAC 7-4-5 (Sulfur Dioxide (SO₂))

Pursuant to 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations), the SO₂ emissions from Boilers 4, 5 and 6 shall not exceed the following:

- | | | |
|-----|--------------------------------------|---------------------|
| (a) | If only one (1) unit is in operation | 2.2 lb/MMBtu |
| (b) | If two (2) units are in operation | 1.11 lb/MMBtu each |
| (c) | If three (3) units are in operation | 0.74 lb/MMBtu each. |

Coal-fired Boiler 12:

326 IAC 3-5 (Continuous Emissions Monitoring)

- (a) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions), a continuous emission monitoring system for Boiler 12 shall be calibrated, maintained, and operated for measuring opacity, which meets the performance specifications of 326 IAC 3-5-2.
- (b) All continuous emission monitoring systems are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- (c) Pursuant to 326 IAC 3-5-4(a), if revisions are made to the continuous monitoring standard operating procedures (SOP), the Permittee shall submit updates to the department biennially.
- (d) 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.

Note: This rule applies to Boiler 12 because it is a coal-fired steam generator of greater than one hundred million (100,000,000) British thermal units (Btus) per hour heat input capacity.

326 IAC 5-1-3 (Temporary Alternative Opacity Limitations)

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

- (a) When building a new fire in a boiler, opacity may exceed the forty percent (40%) opacity limitation established in 326 IAC 5-1-2 for a period not to exceed a total of thirty (30) minutes (five (5) 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.
- (b) When shutting down a boiler, opacity may exceed the forty percent (40%) opacity limitation established in 326 IAC 5-1-2 for a period not to exceed a total of thirty (30) minutes (five (5) six (6)-minute averaging periods) during the shutdown period.
- (c) Operation of the electrostatic precipitator is not required during these times.
- (d) NIPSCO shall avoid, whenever possible, cold startups on Boiler 12 when the wind direction is such that excess emissions would be carried over the adjacent boat harbor. NIPSCO shall notify the OAQ by telephone twenty-four (24) hours prior to a cold startup (boiler off line more than 72 hours) of Boiler 12.

Note: Part (d) of the TAOL condition for Boiler 12 was included in the previously issued startup and shutdown opacity requirements for the Michigan City station due to complaints received in the past when particulate was deposited at the harbor. The requirement is carried into the Part 70 permit pursuant to 326 IAC 5-1-3(e)(2).

326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating)

Pursuant to 326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(c)), the PM emissions from Boiler 12 shall not exceed 0.24 pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

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

Where: C = 50 micrograms per cubic meter (μ/m^3)

Pt	=	Pounds of particulate matter emitted per million Btu heat input (lb/MMBtu).
Q	=	Total source maximum operating capacity rating in million Btu per hour (MMBtu/hr) heat input.
N	=	Number of stacks in fuel burning operation.
a	=	0.8, for Q greater than 1,000 MMBtu/hr heat input.
h	=	Stack height in feet.

Pursuant to 326 IAC 6-2-3(b), 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, N, and h shall include the parameters for the facility in question and for those facilities which were previously constructed. For Boiler 12, Q = 6097.257MMBtu/hr : 3 x 482 MMBtu/hr (Boilers 4, 5, and 6) + 4650 MMBtu/hr (Boiler 12) + 0.48 MMBtu/hr ("A" Building) + 0.48 MMBtu/hr (Gate House) + 0.297 MMBtu/hr (Relay House (Substation Bldg. #G15)).

326 IAC 7-4-5 (Sulfur Dioxide (SO₂))

- (a) Pursuant to 326 IAC 7-4-5(4) (LaPorte County sulfur dioxide emission limitations), the SO₂ emissions from Boiler 12 shall not exceed 6.0 lbs/MMBtu.
- (b) In accordance with the modeling analysis required for the approval of 326 IAC 7-4-5(4), the rate of heat input for Unit 12 shall not exceed a total of 4650 million Btu per hour (MMBtu/hr).

326 IAC 7-2, 326 IAC 7-1.1-2, 326 IAC 3 (Sulfur Dioxide Emissions and Sulfur Content)

- (a) Pursuant to 326 IAC 7-2-1(c), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the equivalent of 6.0 lbs/MMBtu, using a thirty (30) day rolling weighted average.
- (b) Pursuant to 326 IAC 7-2-1(e) and 326 IAC 3-7, coal sampling and analysis data shall be collected as follows:
 - (1) Coal sampling shall be performed using the methods specified in 326 IAC 3-7-2(a), and sample preparation and analysis shall be performed as specified in 326 IAC 3-7-2(c), (d), and (e); or
 - (2) 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.
 - (3) Pursuant to 326 IAC 3-7-5(a), the Permittee shall develop a standard operating procedure (SOP) to be followed for sampling, handling, analysis, quality control, quality assurance, and data reporting of the information collected pursuant to 326 IAC 3-7-2 through 326 IAC 3-7-4. In addition, any revision to the SOP shall be submitted to IDEM, OAQ.
- (c) Upon written notification to IDEM by a facility owner or operator, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance with the emission limitations in 326 IAC 7. Upon such notification, the other requirements of 326 IAC 7-2 shall not apply.
[326 IAC 7-2-1(g)]

Auxiliary Boiler AUX1:

326 IAC 2-2 (Nitrogen Oxides Emission Limitation)

In order to make the requirements of 326 IAC 2-2 (PSD Requirements) not applicable to boiler AUX1, the natural gas usage for boiler AUX1 shall not exceed 714 million cubic feet (MMCF) per twelve (12) consecutive month period. Compliance with this limit shall be determined at the end of each month.

Note: See the **Existing Approvals** section of this TSD for more information on the addition of the fuel use limit for boiler AUX1.

326 IAC 3-5 (Continuous Emissions Monitoring)

Note: All continuous emissions monitoring requirements for AUX1 are shown in the Federal Requirements portion of this Technical Support Document with the NSPS conditions.

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 forty percent (40%) opacity limit established in 326 IAC 5-1-2. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period. Opacity in excess of forty percent (40%) 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 6-2-4 Particulate Emission Limitations for Sources of Indirect Heating

Pursuant to 326 IAC 6-2-4 (Particulate Emissions Limitations for Facilities Constructed after September 21, 1983) the particulate emissions from the one (1) auxiliary boiler, rated at 109 million British thermal units per hour, shall be limited to 0.113 pound per million British thermal units heat input.

This limitation is based on the following equation:

$$Pt = 1.09/Q^{0.26}$$

where:

Pt = Pounds of particulate matter emitted per million British thermal units (lb/MMBtu) heat input

Q = Total source maximum operating capacity rating in million British thermal units per hour (MMBtu/hr) heat input.

326 IAC 7 (Sulfur Dioxide Emission Limitations)

Pursuant to 326 IAC 7-1.1-1(Applicability), the Boiler AUX1 is not subject to 326 IAC 7 because the natural gas-fired unit does not have the potential to emit twenty-five (25) tons per year or ten (10) pounds per hour of sulfur dioxide.

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 a throughput rate greater than 200 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.

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 18.3 pounds per hour when operating at a process weight rate of 9.3 tons per hour. The pounds per hour limitation was calculated using the following equation:

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

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

where E = rate of emission in pounds per hour and

P = process weight rate in tons per hour.

- (b) Pursuant to 326 IAC 6-3-2(e)(3) (Particulate Emission Limitations for Manufacturing Processes), for the ash unloading at a throughput rate greater than 200 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.

Insignificant Activities - Natural Gas-Fired Boilers:

326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating)

Pursuant to 326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(c)), the PM emissions from the "A" Building boiler, the Gate House boiler, and the Relay House boiler shall not exceed 0.27 pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

$$P_t = \frac{(C) (a) (h)}{76.5 (Q^{0.75}) (N^{0.25})}$$

Where:

C = 50 micrograms per cubic meter (μ/m^3)

P_t = Pounds of particulate matter emitted per million Btu heat input (lb/MMBtu).

Q = Total source maximum operating capacity rating in million Btu per hour (MMBtu/hr) heat input.

N = Number of stacks in fuel burning operation.

a = 0.8, for Q greater than 1,000 MMBtu/hr heat input.

h = Stack height in feet.

Pursuant to 326 IAC 6-2-3(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, N, and h include the parameters for all facilities in operation on June 8, 1972. The resulting P_t is the emission limitation for each facility existing on that date and will not be affected by the addition of any subsequent facility. For these units, $Q = 1447.257$ MMBtu/hr: 3×482 MMBtu/hr (Boilers 4, 5, and 6) + 0.48 MMBtu/hr ("A" Building) + 0.48 MMBtu/hr (Gate House) + 0.297 MMBtu/hr (Relay House (Substation Bldg. #G15)).

Insignificant Activities - 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 of 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.

Insignificant Activities - Grinding and machining operations:

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 4, 5, and 6

These units have applicable RATA requirements for the NO_x CEMS. No additional 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. A source modification approval would be required before the units would be allowed to fire any other fuel. Stack testing could be required in such an approval.

Boiler 12

Testing Requirements

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 in Condition D.2.1 shall be determined by a performance stack test conducted using Method 5 or other 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 Boiler AUX 1

This unit has applicable RATA requirements for the NO_x CEMS. No additional stack testing is believed to be warranted for this unit at this time due to 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 Michigan City Station are as follows:

1. Boilers 4, 5, and 6 do not have any compliance monitoring requirements because these units fire only natural gas and there is no emission control equipment.
2. The coal-fired Boiler 12 has the following applicable compliance monitoring conditions:

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 ninety percent (90%). T-R set failure resulting in less than ninety 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-five percent (35%) 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-five percent (35%). Examples of expected response steps include, but are not limited to, boiler loads being reduced and ESP T-R sets being returned to service.
- (b) Opacity readings in excess of thirty-five percent (35%) 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)]

Whenever the automatic coal sampling system is malfunctioning or down for repairs or adjustments, the following shall be used to provide information related to SO₂ emissions:

- (a) Coal sampling and analysis data shall be collected in accordance with one of the following:
 - (1) Coal samples shall be collected after the bunker. Coal shall be sampled at least three (3) times per day and at least one (1) time per eight (8) hour period unless no coal is bunkered during the preceding eight (8) hour period. Minimum sample size shall be five hundred (500) grams. Coal samples shall be prepared and analyzed as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e).

or

 - (2) 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.
- (b) 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:
 - (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 part (a) of this condition, above.

These monitoring conditions are necessary to ensure compliance with 326 IAC 2-2, 326 IAC 5, 326 IAC 6, 326 IAC 7, and 326 IAC 2-7 (Part 70).

- 3. Auxiliary boiler AUX1 does not have any compliance monitoring requirements because the unit fires only natural gas and there is no emission control equipment.

4. The coal handling system for Boiler 12 has applicable compliance monitoring conditions as specified below:

Visible Emissions Notations

- (a) Visible emission notations of the railcar 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 each of the baghouse exhausts for the coal crusher house, coal sample house/breaker building, and coal tripper floor shall be performed once per shift during normal daylight operations when the corresponding coal processing or conveying equipment 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 railcar 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 handling 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

- (a) The Permittee shall record the total static pressure drop across each baghouse used in conjunction with the coal handling at least once per shift when the corresponding coal processing or conveying equipment 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

- (a) An inspection shall be performed each calendar quarter of all bags controlling particulate emissions from the coal handling equipment. 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 fly ash handling and storage operations have applicable compliance monitoring conditions as specified below:

Visible Emissions Notations

- (a) Visible emission notations of the ash silo unloading station openings, or notations that the ash silo bay doors are completely closed, shall be performed at least once per shift during normal daylight operations when ash is being unloaded. A trained employee shall record whether all silo bay doors are completely closed during ash unloading, or if any emissions are observed.
- (b) Visible emission notations of the ash silo bin vent filter exhaust shall be performed at least once per shift during normal daylight operations when transferring ash to or from the silo. A trained employee shall record whether emissions are normal or abnormal.

- (c) Visible emission notations of the nozzle of the telescoping chute shall be performed at least once per shift during normal daylight operations when transferring ash from the silo. 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. 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.
- (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. 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.
- (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.

Bin Vent Filter Inspections

- (a) An inspection shall be performed each calendar quarter of the bin vent filter(s) controlling particulate emissions from the ash conveying. Inspections required by this condition shall not be performed in consecutive months. All defective filters 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.

These monitoring conditions are 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

- (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. T091-6637-00021**.

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)
Michigan City Generating Station
Source Location: 100 North Wabash Street, Michigan City, IN 46360
Operated By: NIPSCO
Owned By: NIPSCO
ORIS Code: 997
Operation Permit No.: T 091-6637-00021
Permit Reviewer for NO_x Budget Permit: Rebecca Mason

NO_x Budget Permit Application and Rule Applicability

A complete Nitrogen Oxides (NO_x) Budget Permit Application for this NO_x budget source was received on September 2, 2003. The Office of Air Quality (OAQ) has reviewed a NO_x budget permit application from NIPSCO Michigan City 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) Three (3) natural gas-fired boilers, identified as Boiler 4, Boiler 5, and Boiler 6, each with a design capacity of 482 million Btu per hour (MMBtu/hr), exhausting to Stack 1, Stack 2, and Stack 3, respectively, each with a continuous emissions monitoring system (CEMS) for nitrogen oxides (NO_x). Installation of Boilers 4 and 5 was completed in 1950 and installation of Boiler 6 was completed in 1951.
- (b) One (1) cyclone coal-fired boiler, identified as Boiler 12, with a design heat input capacity of 4650 million Btu per hour (MMBtu/hr), with construction completed in May 1974, with an electrostatic precipitator (ESP) with a flue gas conditioning (FGC) system for control of particulate matter, exhausting to Stack 4. Natural gas will be fired during startup, shutdown, and malfunctions. Boiler 12 has a selective catalytic reduction (SCR) system for NO_x control, and has continuous emissions monitoring systems (CEMS) for nitrogen oxides (NO_x) and for sulfur dioxide (SO₂) and a continuous opacity monitoring (COM) system.

Pursuant to 326 IAC 10-4-7, the NO_x budget permit shall be a complete and segregable portion of the Part 70 permit and the NO_x budget portion of the Part 70 permit shall be administered in accordance with 326 IAC 2-7, except as provided otherwise by 326 IAC 10-4-7.

Program Description

On October 27, 1998, the U.S. EPA promulgated final federal rules requiring 22 states and the District of Columbia to submit state implementation plan (SIP) revisions to reduce the regional transport of ozone. The federal rule focused on reducing NO_x emissions in the affected states. In the federal rule, the U.S. EPA established a NO_x emission "budget" for each of the affected states and the District of Columbia. The "budget" represents a reduction from emissions in the year 2007 that the U.S. EPA believes will reduce the transport of NO_x emissions and will assist

downwind areas in meeting ozone air quality standards. The states must demonstrate compliance with the "budget" by implementing control measures to reduce NO_x emissions beginning May 31, 2004. While the rule does not mandate which sources will have to reduce emissions, the rule did provide options that would result in a 65% reduction of NO_x emissions from utility boilers and a 60% reduction from large industrial (non-utility) boilers and turbines. IDEM developed the NO_x Budget Trading Program in 326 IAC 10-4 in response to this mandate. The NO_x reductions that will be achieved by this rule will result in significant air quality improvements throughout the state of Indiana, and will be especially important in those areas of the state where ozone levels exceed or regularly approach state and federal air quality health standards.

The Nitrogen Oxides Budget Trading Program is a regional cap and trade program among all the states subject to the NO_x SIP call. Electricity generating units (EGUs) and non-electricity generating units (non-EGUs) are allocated allowances for tons of NO_x that they are allowed to emit during the ozone season. IDEM allocates NO_x allowances for the affected units, and owners or operators of these units are able to buy, sell, or trade allowances, as necessary, to demonstrate compliance with the unit's NO_x emissions cap. Because this program is a regional program administered by U.S. EPA, sources are able to buy, sell or trade allowances across state boundaries and between different types of units and sources. More information about the NO_x SIP Call can be found at: <http://www.epa.gov/airmarkets/fednox/index.html> and <http://www.in.gov/idem/air/standard/Sip/index.html>.

326 IAC 10-4 (NO_x Budget Trading Program) Requirements

- (a) Pursuant to 326 IAC 10-4-4(b), the owners and operators and, to the extent applicable, the NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall comply with the monitoring requirements of 40 CFR 75 and 326 IAC 10-4-12. The emissions measurements recorded and reported in accordance with 40 CFR 75 and 326 IAC 10-4-12 shall be used to determine compliance by each unit with the NO_x budget emissions limitation under 326 IAC 10-4-4(c).
- (b) Pursuant to 326 IAC 10-4-4(c), the owners and operators of the NO_x budget source and each NO_x budget unit at the source shall hold NO_x allowances available for compliance deductions under 326 IAC 10-4-10(j), as of the NO_x allowance transfer deadline, in each unit's compliance account and the source's overdraft account in an amount:
 - (1) Not less than the total NO_x emissions for the ozone control period from the unit, as determined in accordance with 40 CFR 75 and 326 IAC 10-4-12;
 - (2) To account for excess emissions for a prior ozone control period under 326 IAC 10-4-10(k)(5); or
 - (3) To account for withdrawal from the NO_x budget trading program, or a change in regulatory status of a NO_x budget opt-in unit.

The NO_x budget units shall be subject to the requirements under 326 IAC 10-4-4(c)(1) starting on May 31, 2004.

- (c) Pursuant to 326 IAC 10-4-4(d), the owners and operators of each NO_x budget unit that has excess emissions in any ozone control period shall do the following:
 - (1) Surrender the NO_x allowances required for deduction under 326 IAC 10-4-10(k)(5).
 - (2) Pay any fine, penalty, or assessment or comply with any other remedy imposed under 326 IAC 10-4-10(k)(7).

- (d) Pursuant to 326 IAC 10-4-4(e)(1), unless otherwise provided, the owners and operators of the NO_x budget source and each NO_x budget unit at the source shall keep either on site at the source or at a central location within Indiana for those owners or operators with unattended sources, each of the following documents for a period of five (5) years:
- (1) The account certificate of representation for the NO_x authorized account representative for the source and each NO_x budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 326 IAC 10-4-6(h). The certificate and documents shall be retained either on site at the source or at a central location within Indiana for those owners or operators with unattended sources beyond the five (5) year period until the documents are superseded because of the submission of a new account certificate of representation changing the NO_x authorized account representative.
 - (2) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide for a three (3) year period for record keeping, the three (3) year period shall apply.
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x budget trading program.
 - (4) Copies of all documents used to complete a NO_x budget permit application and any other submission under the NO_x budget trading program or to demonstrate compliance with the requirements of the NO_x budget trading program.

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

- (e) Pursuant to 326 IAC 10-4-4(e)(2), the NO_x authorized account representative of the NO_x budget source and each NO_x budget unit at the source shall submit the reports and compliance certifications required under the NO_x budget trading program, including those under 326 IAC 10-4-8, 326 IAC 10-4-12, or 326 IAC 10-4-13.

Monitoring

The NO_x Budget Trading Program references monitoring and reporting requirements from the Acid Rain program at 40 CFR Part 75. These provisions require, for most sources, the use of continuous emissions monitors (CEMs). A CEM is a system composed of various equipment that continuously measures the amount of nitrogen oxides emitted into the atmosphere in exhaust gases from the NO_x budget unit's stack.

NO_x Emissions Allocations

- (a) Pursuant to 326 IAC 10-4-7(e), this NO_x budget permit is deemed to incorporate automatically, upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_x allowance to or from the compliance accounts of the NO_x budget units or the overdraft account of the NO_x budget source covered by this permit. The allocations for each ozone season and transaction information can be found at: <http://www.epa.gov/airmarkets/tracking/factsheet.html>. In addition, IDEM, OAQ posts

proposed allocations prior to submitting them to the U.S. EPA on the following web site:
<http://www.in.gov/ideM/air/standard/Sip/index.html>.

- (b) The following requirements from 326 IAC 10-4-4(c) apply to NO_x allowances:
- (1) Each ton of NO_x emitted in excess of the NO_x budget emissions limitation shall constitute a separate violation of the Clean Air Act (CAA) and 326 IAC 10-4.
 - (2) NO_x allowances shall be held in, deducted from, or transferred among NO_x allowance tracking system accounts in accordance with 326 IAC 10-4-9 through 11, 326 IAC 10-4-13, and 326 IAC 10-4-14.
 - (3) A NO_x allowance shall not be deducted, in order to comply with the requirements under 326 IAC 10-4-4(c)(1), for an ozone control period in a year prior to the year for which the NO_x allowance was allocated.
 - (4) A NO_x allowance allocated under the NO_x budget trading program is a limited authorization to emit one (1) ton of NO_x in accordance with the NO_x budget trading program. No provision of the NO_x budget trading program, the NO_x budget permit application, the NO_x budget permit, or an exemption under 326 IAC 10-4-3 and no provision of law shall be construed to limit the authority of the U.S. EPA or IDEM, OAQ to terminate or limit the authorization.
 - (5) A NO_x allowance allocated under the NO_x budget trading program does not constitute a property right.
 - (6) Upon recordation by the U.S. EPA under 326 IAC 10-4-10, 326 IAC 10-4-11, or 326 IAC 10-4-13, every allocation, transfer, or deduction of a NO_x allowance to or from a NO_x budget unit's compliance account or the overdraft account of the source where the unit is located is deemed to amend automatically, and become a part of, this NO_x budget permit of the NO_x budget unit by operation of law without any further review.

Other Record Keeping and Reporting Requirements

Pursuant to 326 IAC 10-4-7(g), except as provided in 326 IAC 10-7-4(e), IDEM, OAQ shall revise the NO_x budget permit, as necessary, in accordance with the permit modification and revision provisions under 326 IAC 2-7.

Pursuant to 326 IAC 10-4-7(b)(1)(C), for permit renewal, the NO_x authorized account representative shall submit a complete NO_x budget permit application covering the NO_x budget units at the source in accordance with 326 IAC 2-7-4(a)(1)(D) with the Part 70 permit renewal.

Submissions

The NO_x authorized account representative for each NO_x budget source on behalf of which a submission is made must sign and certify every report or other submission required by the NO_x budget permit. The NO_x authorized account representative must include the following certification statement in every submission: "I am authorized to make this submission on behalf of the owners and operators of the NO_x budget sources or NO_x budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

Recommendation

The staff recommends to the Commissioner that the NO_x budget permit be approved.

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

Additional Information

Questions regarding the NO_x budget permit can be directed to Rebecca Mason at the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ), 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015 or by telephone at (317) 233-9664 or toll free at 1-800-451-6027 extension 3-9664.

The source will be inspected by IDEM's compliance inspection staff. Persons seeking to obtain information regarding the source's compliance status or to report any potential violation of any permit condition should contact Dan Hancock at the Office of Air Quality (OAQ) address or by telephone at (317) 232-8429 or toll free at 1-800-451-6027 extension 2-8429.

Copies of the Code of Federal Regulations (CFR) referenced in the permit may be obtained from:

Indiana Department of Environmental Management

Office of Air Quality

100 North Senate Avenue

P.O. Box 6015

Indianapolis, Indiana 46206-6015

or

The Government Printing Office

Washington, D.C. 20402

or

on the Government Printing Office web site at

<http://www.access.gpo.gov/nara/cfr/index.html>

**Appendix B: Emission Calculations
Natural Gas Combustion Only
MMBTU/HR >100
Auxiliary Boiler AUX 1**

Company Name: NIPSCO Michigan City
Address City IN Zip: 100 N. Wabash Street, Michigan City, IN 46360
Permit Number/Plant ID: 091-6637-00021
Reviewer: V. Cordell
Date: 7/12/2004

Maximum Heat Input Capacity MMBtu/hr	Potential Throughput MMCF/yr	Limited Throughput MMCF/yr
120.0	1020.6	714.6

Emission Factor in lb/MMCF	Pollutant					
	PM*	PM10*	SO2	NOx**	VOC	CO
	1.9	7.6	0.6	103.0 **see below	5.5	84.0
Potential Emission in tons/yr	1.0	3.9	0.3	52.6	2.8	42.9
PTE as limited, in tons/yr	0.7	2.7	0.2	36.8	2.0	30.0

*PM emission factor is filterable PM only. PM10 emission factor is condensable and filterable PM10 combined.

**Emission Factor for NOx: NSPS Subpart Db limit of 0.1 lb/MMBtu, at maximum gas heat content of 1,030 MMBtu/MMCF

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/1,030 MMBtu

Emission Factors (except Nox) 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- (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.

Appendix B: Emission Calculations

Natural Gas Combustion Only

MMBTU/HR >100

Utility Boiler

HAPs Emissions

Auxiliary Boiler AUX 1

Company Name: NIPSCO Michigan City

Address City IN Zip: 100 N. Wabash Street, Michigan City, IN 46360

Permit Number/Plant ID: 091-6637-00021

Reviewer: V. Cordell

Date: 7/12/2004

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	1.07E-03	6.12E-04	3.83E-02	9.19E-01	1.73E-03
PTE as limited, in tons/yr	7.50E-04	4.29E-04	2.68E-02	6.43E-01	1.21E-03

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	2.55E-04	5.61E-04	7.14E-04	1.94E-04	1.07E-03
PTE as limited, in tons/yr	1.79E-04	3.93E-04	5.00E-04	1.36E-04	7.50E-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.

Northern Indiana Public Service Company (NIPSCO)
Michigan City Generating Station

Operation Permit: T091-6637-00021

Appendix A

Phase II Acid Rain Permit

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Source: Michigan City Generating Station
Address: Wabash St. and Lake Michigan, Michigan City, IN
46360
Operated by: NIPSCO
ORIS Code: 997
Effective: January 1, 2000 through December 31, 2004

the above corporation is hereby authorized to operate subject to the conditions contained
herein, these facilities:
Boilers 4, 5, 6, and Unit 12.

Operation Permit No.: AR 091-5301-00021	
Issued by: Felicia R. George, Assistant Commissioner Office of Air Management	Issuance Date: Expiration Date:

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- 2) Standard Requirements.

1) Statement of Basis

Statutory and Regulatory Authorities: In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Titles IV and V of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

2) Standard Requirements

Permit Requirements [326 IAC 21]

- (a) The designated representative of each affected source and each affected unit at the source shall:
 - (1) Submit a complete Acid Rain Permit application, by submitting a sulfur dioxide application and compliance plan in accordance with the deadlines in 40 CFR 72.30; and
 - (2) Submit in a timely manner any supplemental information that IDEM, OAM determines is necessary in order to review an Acid Rain Permit application or an Acid Rain portion of an operation permit application and issue or deny an Acid Rain Permit;

Information required by (1) and (2) above shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

- (b) The owners and operators of each affected source and each affected unit at the source shall:
 - (1) Operate the unit in compliance with a complete Acid Rain Permit application or a superseding Acid Rain Permit issued by the IDEM, OAM.

Monitoring Requirements [326 IAC 21]

- (a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 74, 75, and 76.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

- (c) The requirements of 40 CFR 74 and 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements [326 IAC 21]

- (a) The owners and operators of each source and each affected unit at the source shall:
 - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 73.35), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
 - (2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (b) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.
- (c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:
 - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 - (2) Starting on the latter of January 1, 2000 or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).
- (d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) An allowance shall not be deducted in order to comply with the requirements under paragraph (a)(1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain Permit application, the Acid Rain Permit, the Acid Rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (g) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.
- (h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)].

- (i) No limit shall be placed on the number of allowances held by an affected source. A affected source may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]
- (j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

SO₂ Allowance Allocations for Boiler 4

- (1) 2000 - 902*
- (2) 2001 - 902*
- (3) 2002 - 902*
- (4) 2003 - 902*
- (5) 2004 - 902*

SO₂ Allowances for Boiler 5

- (1) 2000 - 1,001*
- (2) 2001 - 1,001*
- (3) 2002 - 1,001*
- (4) 2003 - 1,001*
- (5) 2004 - 1,001*

SO₂ Allowances for Boiler 6

- (1) 2000 - 1,010*
- (2) 2001 - 1,010*
- (3) 2002 - 1,010*
- (4) 2003 - 1,010*
- (5) 2004 - 1,010*

SO₂ Allowances for Unit 12

- (1) 2000 - 9,969*
- (2) 2001 - 9,969*
- (3) 2002 - 9,969*
- (4) 2003 - 9,969*
- (5) 2004 - 9,969*

*The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3, and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

Nitrogen Oxides Requirements [326 IAC 21]

- (a) The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides (NO_x).
- (b) The designated representative shall submit a timely and complete permit application and compliance plan for NO_x emissions for each Phase II affected unit at the source to IDEM, OAM and U.S.EPA by January 1, 1998, in accordance with 40 CFR 76.9.

The designated representative shall submit required information to:

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

and

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Phase II NO_x
401 M Street, SW
Washington, DC 20460

- (c) After receipt of the required information, IDEM, OAM will reopen and revise the Acid Rain portion of the source's operating permit to add Acid Rain Program NO_x requirements, in accordance with 40 CFR 76.
- (d) The reopening in (c) shall not affect the term of the acid rain portion of the source's operating permit. [40 CFR 72.85(d)]
- (e) Upon application by a source and approval by the Commissioner, an Alternative Emissions Limit (AELs) may be granted to a unit in accordance with 40 CFR 76.10.

Excess Emissions Requirements [326 IAC 21]

- (a) The designated representative of an affected unit that has excess emissions of sulfur dioxide in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAM as required under 40 CFR 77 and 326 IAC 21.

The designated representative shall submit required information to:

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

and

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Annual Reconciliation
401 M Street, SW
Washington, DC 20460

- (b) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
 - (1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326

IAC 21; and

- (2) Comply with the terms of an approved offset plan, as required by 40 CFR 77 and 326 IAC 21.

Record Keeping and Reporting Requirements [326 IAC 21]

- (a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by U.S. EPA or IDEM, OAM:
 - (1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
 - (2) All emissions monitoring information collected shall be retained on site for 3 years in accordance with 40 CFR 75.54;
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and
 - (4) Copies of all documents used to complete an Acid Rain Permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21.

Submit required information to the appropriate authority(ies) as specified in 40 CFR 72.90 subpart I and 40 CFR 75.

Submissions [326 IAC 21]

- (a) The designated representative shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA in accordance with 40 CFR 72 and 326 IAC 21.

The designated representative shall submit required information to:

U.S. Environmental Protection Agency
Acid Rain Program (6204J)

Attn.: Designated Representative
401 M Street, SW
Washington, DC 20460

- (b) Each submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (c) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature:
 - (1) The following statement, which shall be included verbatim in the submission: "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made." and
 - (2) The following statement which shall be included verbatim in the submission: "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (d) The designated representative of a source shall serve notice on each owner and operator of the source and of an affected unit at the source:
 - (1) By the date of submission, of any Acid Rain Program submissions by the designated representative, and
 - (2) Within 10 business days of receipt of a determination, of any written determination by U.S. EPA or IDEM, OAM,
 - (3) Provided that the submission or determination covers the source or the unit.
- (e) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under condition (d) of this section, unless the owner or operator expressly waives the right to receive a copy.

Severability [326 IAC 21]

Invalidation of the acid rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any other portion of the operating permit affect the continuing validity of the acid rain portion of the permit. [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)].

Liability [326 IAC 21]

- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain Permit application, an Acid Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.
- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Clean Air Act and 18 U.S.C. 1001 and shall be subject to criminal enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.
- (f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
- (g) Each violation of a provision of 40 CFR 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

Effect on Other Authorities [326 IAC 21]

No provision of the Acid Rain Program, an Acid Rain Permit application, an Acid Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)),

exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

- (b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;
- (c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;
- (d) Modifying the Federal Power Act (16 USC 791a et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.