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

Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

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

TO: Interested Parties / Applicant

DATE: April 18, 2006

RE: SIGECO / 173-6885-00001

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

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

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

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

Enclosures
FNTVOP.dot 03/23/06

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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PART 70 OPERATING PERMIT
OFFICE OF AIR QUALITY

Southern Indiana Gas and Electric Company (SIGECO)
F.B. Culley Generating Station, 3711 Darlington Road
Newburgh, Indiana 47630

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

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

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

Operation Permit No.: T173-6885-00001	
Issued by: Nisha Sizemore for Paul Dubenetzky, Assistant Commissioner Office of Air Quality	Issuance Date: April 18, 2006 Expiration Date: April 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 - Power Supply
Source Address:	F.B. Culley Generating Station, 3711 Darlington Road, Newburgh, Indiana 47630
Mailing Address:	20 Northwest Fourth Street, Evansville, Indiana 47741
Source Telephone:	(812) 464-4622
SIC Code:	4911
County Location:	Warrick
Source Location Status:	Nonattainment for PM2.5 and 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 (Fossil Fuel-Fired Steam Electric Plant of more than 250 MMBtu/hr heat input)

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

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

(a) One (1) coal/natural gas fired boiler, identified as Unit 1, constructed in 1952, with a maximum capacity of 477 MMBtu per hour, using an electrostatic precipitator as control, and exhausting to stack 1. Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/natural gas fired boiler, identified as Unit 2, constructed in 1963, with a maximum capacity of 1031 MMBtu per hour, using an electrostatic precipitator for control, and a low NOx burner for NOx reduction, and exhausting to stack 3. Unit 2 shares the FGD system and exhaust stack with Unit 3, and has stack 2 as a bypass stack. Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/natural gas fired boiler, identified as Unit 3, constructed in 1970, with a maximum capacity of 2689 MMBtu per hour, using an electrostatic precipitator for control, and low NOx burner and selective catalytic reduction technology (SCR) for NOx reduction, and exhausting to stack 3. Unit 3 shares the FGD system and exhaust stack with Unit 2. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(d) Coal storage and handling operations, identified as Unit 5F, constructed in 1954, expanded in 1963 and 1970, and modified in 1994, consisting of the following activities:

(1) Unit 1 coal storage pile of 55,000 tons.

(2) Unit 1 coal pile transfer conveyor to Units 2 and 3 coal pile, with a maximum coal feed belt capacity of 600 tons per hour.

(3) Unit 1 coal pile hopper, with a maximum coal feed belt capacity of 600 tons per hour.

(4) Unit 1 coal hopper conveyor, with a maximum coal feed belt capacity of 600 tons per hour.

(5) Unit 1 coal transfer house conveyor drop, with a maximum coal feed belt capacity of 600 tons per hour.

(6) Unit 1 coal transfer house conveyor, with a maximum coal feed belt capacity of 1240 tons per hour.

(7) Units 1 and 2 coal transfer house conveyor drop, with a maximum coal feed belt capacity of 1240 tons per hour.

(8) Units 1 and 2 coal transfer house conveyor, with a maximum coal feed belt capacity of 1240 tons per hour.

(9) Units 1 and 2 pulverizer coal tripper conveyor, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(10) Units 1 and 2 pulverizer coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(11) Units 1 and 2 pulverizer coal bunkers, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(12) Units 2 and 3 coal pile of 645,000 tons.

(13) Unit 2 coal pile hopper, with a maximum coal feed belt capacity of 640 tons per hour.

(14) Unit 2 coal pile hopper conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(15) Unit 3 coal pile hopper, with a maximum coal feed belt capacity of 640 tons per hour.

(16) Unit 3 coal pile hopper conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(17) Unit 3 coal transfer house conveyor drop 1, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed transfer house and baghouse for control, exhausting to stack 8.

(18) Unit 3 coal transfer house conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(19) Unit 3 coal transfer house conveyor drop 2, with a maximum coal feed belt capacity of 640 tons per hour.

(20) Unit 3 pulverizer coal tripper conveyor, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(21) Unit 3 pulverizer coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(22) Unit 3 pulverizer coal bunker, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(e) A fly ash handling facility, identified as Unit 6, constructed in 1994, consisting of the following operations:

(1) One (1) fly ash storage silo receiving fly ash via a close-pipe vacuum handling system from the electrostatic precipitator hoppers of Units 2 and 3, with a maximum capacity of 1000 tons, and a maximum throughput of 179.9 tons per hour, with a fabric filter separator exhausting to stack 16 and a bin filter exhausting to stack 17. The filter/separator is designed for operation 50% of the time.

(2) One (1) fly ash silo truck loadout station, with a maximum capacity of 25 tons per hour (the coal trucks have a maximum capacity of 25 tons and haul ash at the rate of one truck per hour), with an enclosed telescoping discharged chute and emissions reduced by fly ash wetting and partial loading of the trucks.

(3) One (1) East Ash Pond receiving sluiced (closed-pipe) bottom ash from Units 1, 2 and 3 and sluiced fly ash from Unit 1. The ash is discharged to the pond at a maximum annual rate of 4.65 tons per hour and stored in wet form, that is, a layer of water maintained above the ponded ash and dredging operations conducted periodically to maintain the ponded storage state.

(f) A limestone handling facility, identified as Unit 7, constructed in 1994, consisting of the following operations:

(1) One (1) limestone unloading floating clamshell dock, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 6.

(2) One (1) covered conveyor, identified as Conveyor 1, with a maximum throughput of 550 tons per hour.

(3) One (1) limestone truck loadout to conveyor, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 9.

(4) One (1) covered conveyor, identified as Conveyor 2, with a maximum throughput of 800 tons per hour.

(5) One (1) limestone storage building, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 10.

(6) One (1) limestone storage building loadout, with a maximum capacity of 750 tons per hour, with an enclosed building for dust control, exhausting indoors.

(7) One (1) covered conveyor, identified as Conveyor 3, with a maximum throughput of 300 tons per hour.

(8) One (1) limestone transfer house #1, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 12.

(9) One (1) covered conveyor, identified as Conveyor 4, with a maximum throughput of 300 tons per hour.

(10) One (1) limestone transfer house, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 8.

(11) One (1) covered conveyor, identified as Conveyor 5, with a maximum throughput of 300 tons per hour.

(12) One (1) limestone transfer house #2, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 14.

(13) One (1) covered conveyor, identified as Conveyor 6, with a maximum throughput of 300 tons per hour.

(14) One (1) limestone day silo, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 15.

(g) A gypsum (wet filter cake of 80-85% moisture content) handling facility, identified as Unit 8, constructed in 1994, consisting of the following operations:

(1) One (1) gypsum filter cake conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 11.

(2) One (1) gypsum filter cake conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 13.

(3) One (1) covered conveyor, identified as G-1A, with a maximum capacity of 50 tons per hour.

(4) One (1) covered conveyor, identified as G-1B (operates only when G-1A is offline), with a maximum capacity of 50 tons per hour.

(5) One (1) gypsum filter cake transfer house conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 4.

(6) One (1) covered conveyor, identified as G-2A, with a maximum capacity of 50 tons per hour.

(7) One (1) covered conveyor, identified as G-2B (operates only when G-2A is offline), with a maximum capacity of 50 tons per hour.

(8) One (1) gypsum storage building consisting of two (2) 1000-ton gypsum storage silos and one (1) storage pile designated for truck haul-away, exhausting indoors.

(9) One (1) covered silo to barge loadout primary filter cake transfer conveyor, identified as Conveyor 4, with a maximum capacity of 400 tons per hour, with a fabric filter for dust control, exhausting to stack 7.

(10) One (1) covered silo to truck secondary transfer conveyor, identified as Conveyor 3, with a maximum capacity of 400 tons per hour, exhausting indoors.

(11) One (1) gypsum barge loadout conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 5.

(12) One (1) gypsum barge loadout with two (2) telescoping transfer chutes delivering filter cake gypsum to river barges, with a maximum capacity of 400 tons per hour.

(h) One (1) flue gas desulfurization (FGD) system for Units 2 and 3, constructed in 1994, consisting of the following limestone operations:

(1) Two (2) wet ball mills (one operational and one full capacity spare), receiving limestone from the day silo of the limestone handling facility (Unit 8). Each ball mill is a closed-device (hard-piped, enclosed design), wet mill capable of handling 20.5 tons per hour of dry limestone feed.

(2) Two (2) limestone slurry storage tanks, receiving the ball mill product (fresh limestone slurry), which is then discharged into the scrubber system. The scrubbed gas stream exits the absorber tower through the scrubber stack.

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

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

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

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

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

(a) It is a major source, as defined in 326 IAC 2-7-1(22);

(b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability); and

(c) It is an affected source under Title IV (Acid Deposition Control) of the Clean Air Act, as defined in 326 IAC 2-7-1(3).

SECTION B GENERAL CONDITIONS

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

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.

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

(a) This permit, T173-6885-00001, is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit or of permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

(b) If IDEM, OAQ, upon receiving a timely and complete renewal permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.

B.3 Enforceability [326 IAC 2-7-7]

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

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

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

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

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

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

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

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

(a) The Permittee shall furnish to IDEM, OAQ, within a reasonable time, any information that IDEM, OAQ, may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34). Upon request, the Permittee shall also furnish to IDEM, OAQ, copies of records required to be kept by this permit.

(b) For information furnished by the Permittee to IDEM, OAQ, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1. When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

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

(a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by a responsible official of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable

inquiry, the statements and information in the document are true, accurate, and complete.

(b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification. One (1) certification may cover multiple forms in one (1) submittal.

(c) A responsible official is defined at 326 IAC 2-7-1(34).

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

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

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

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

(b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

(c) The annual compliance certification report shall include the following:

(1) The appropriate identification of each term or condition of this permit that is the basis of the certification;

(2) The compliance status;

(3) Whether compliance was continuous or intermittent; and

(4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3).

The submittal by the Permittee does require the certification by the "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 official title and position of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;

(2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and

(3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

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

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

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

(b) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The PMPs do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

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

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

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

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

(1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;

(2) The permitted facility was at the time being properly operated;

(3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;

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

IDEM, OAQ:

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or
Telephone Number: 317-233-5674 (ask for Compliance Section)
Facsimile Number: 317-233-5967

Southwest Regional Office:
Telephone Number: 1-888-672-8323, or
Telephone Number: 812-380-2305
Facsimile Number: 812-380-2304

(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

and

Southwest Regional Office
1120 N. Vincennes Avenue, P.O. Box 128
Petersburg, Indiana 47567-0128

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 T173-6885-00001 and issued pursuant to permitting programs approved into the state implementation plan have been either

(1) incorporated as originally stated,

(2) revised under 326 IAC 2-7-10.5, or

(3) deleted under 326 IAC 2-7-10.5.

(b) Provided that all terms and conditions are accurately reflected in this permit, all previous registrations and permits are superseded by this Part 70 operating permit, except for permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

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

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

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

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

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

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

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

(a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-7-5(6)(C)] The notification by the Permittee does require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

(b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ, determines any of the following:

(1) That this permit contains a material mistake.

(2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.

(3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-7-9(a)(3)]

(c) Proceedings by IDEM, OAQ, to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-7-9(b)]

(d) The reopening and revision of this permit, under 326 IAC 2-7-9(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ may provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(c)]

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

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

Request for renewal shall be submitted to:

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

(b) A timely renewal application is one that is:

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

(2) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

(c) If the Permittee submits a timely and complete application for renewal of this permit, the source’s failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by a reasonable deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application. [326 IAC 2-7-4(a)(2)(D) and (E)]

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

(a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the IDEM, OAQ prior to making any modification to the source. Pursuant to 326 IAC 1-2-42, "Modification" means one (1) or more of the following activities at an existing source:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) No Part 70 permit revision shall be required under any approved economic incentives, marketable Part 70 permits, emissions trading, and other similar programs or processes for changes that are provided for in a Part 70 permit.

(b) Notwithstanding 326 IAC 2-7-12(b)(1) and 326 IAC 2-7-12(c)(1), minor Part 70 permit modification procedures may be used for Part 70 modifications involving the use of economic incentives, marketable Part 70 permits, emissions trading, and other similar approaches to the extent that such minor Part 70 permit modification procedures are explicitly provided for in the applicable State Implementation Plan (SIP) or in applicable requirements promulgated or approved by the U.S. EPA.

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

(a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b), (c), or (e), without a prior permit revision, if each of the following conditions is met:

(1) The changes are not modifications under any provision of Title I of the Clean Air Act;

(2) Any preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;

(3) The changes do not result in emissions which exceed the limitations provided in this permit (whether expressed herein as a rate of emissions or in terms of total emissions);

(4) The Permittee notifies the:

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

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and

(5) The Permittee maintains records on-site, on a rolling five (5) year basis, which document all such changes and emissions trades that are subject to 326 IAC 2-7-20(b), (c), or (e). The Permittee shall make such records available, upon reasonable request, for public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, in the notices specified in 326 IAC 2-7-20(b)(1), (c)(1), and (e)(2).

(b) The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of

326 IAC 2-7-20(a). For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:

(1) A brief description of the change within the source;

(2) The date on which the change will occur;

(3) Any change in emissions; and

(4) Any permit term or condition that is no longer applicable as a result of the change.

The notification which shall be submitted is not considered an application form, report or compliance certification. Therefore, the notification by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

(c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade emissions increases and decreases at the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).

(d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.

(e) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.

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

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

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

(a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;

(b) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy any records that must be kept under the conditions of this permit;

(c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;

(d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and

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

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

(a) The Permittee must comply with the requirements of 326 IAC 2-7-11 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.

(b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

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

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

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

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

(a) The Permittee shall pay annual fees to IDEM, OAQ, within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ, the applicable fee is due April 1 of each year.

(b) Except as provided in 326 IAC 2-7-19(e), failure to pay may result in administrative enforcement action or revocation of this permit.

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

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

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

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

Notwithstanding the permit term of a permit to construct, a permit to operate, or a permit modification, any condition established in a permit issued pursuant to a permitting program approved in the state implementation plan shall remain in effect until:

(a) The condition is modified in a subsequent permit action pursuant to Title I of the Clean Air Act; or

(b) The emission unit to which the condition pertains permanently ceases operation.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

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

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

Pursuant to 326 IAC 6-3-2(e)(2), particulate emissions from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour.

C.2 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (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]

(a) 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.

(b) Any emission units generating fugitive dust shall be in violation of this rule (326 IAC 6-4) if any of the following criteria are violated:

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

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

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

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

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

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

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

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

(c) 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.

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

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the fugitive dust control plan submitted in 1997. The plan is included as Appendix B to the permit.

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

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

C.8 Stack Height [326 IAC 1-7]

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

C.9 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

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

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

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

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

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

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

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

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

(c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ, not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the Permittee submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

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

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

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

C.12 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

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

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

The notification which shall be submitted by the Permittee does require the certification by the “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.13 Maintenance of Continuous Opacity Monitoring Equipment [326 IAC 2-7-5(3)(A)(iii)]

(a) The Permittee shall calibrate, maintain, and operate all necessary continuous opacity monitoring systems (COMS) and related equipment. For a boiler, the COMS shall be in operation at all times that the induced draft fan is in operation.

(b) All COMS shall meet the performance specifications of 40 CFR 60, Appendix B, Performance Specification No. 1, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5.

(c) In the event that a breakdown of a COMS occurs, a record shall be made of the time and reason of the breakdown and efforts made to correct the problem.

(d) Whenever a COMS is malfunctioning or is down for maintenance, or repairs for a period of twenty-four (24) hours or more and a backup COMS is not online within twenty-four (24) hours of shutdown or malfunction of the primary COMS: The Permittee shall provide a certified opacity reader, who may be an employee of the Permittee or 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 COM 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.14 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]

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

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

(a) When required by any condition of this permit, an analog instrument used to measure a parameter related to the operation of an air pollution control device shall have a scale such that the expected maximum reading from the normal range shall be no less than twenty percent (20%) of full scale.

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

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

C.16 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

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

(a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures in 1997.

(b) Upon direct notification by IDEM, OAQ, that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]

C.17 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68]

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

C.18 Response to Excursions or Exceedances [326 IAC 2-7-5] [326 IAC 2-7-6]

(a) Upon detecting an excursion or exceedance, the Permittee shall restore operation of the emissions unit(s) (including any control device and associated capture system) to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practices for minimizing emissions.

(b) The response shall include minimizing the period of any startup, shutdown or malfunction and taking any necessary corrective actions to restore normal operation and prevent the likely recurrence of the cause of an excursion or exceedance (other than those caused by excused startup or shutdown conditions). Corrective actions may include, but are not limited to, the following:

(1) initial inspection and evaluation;

(2) recording that operations returned to normal without operator action (such as through response by a computerized distribution control system); or

(3) any necessary follow-up actions to return operation to within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable.

(c) A determination of whether the Permittee has used acceptable procedures in response to an excursion or exceedance will be based on information available, which may include, but is not limited to, the following:

(1) monitoring results;

(2) review of operation and maintenance procedures and records; and

(3) inspection of the control device, associated capture system, and the process.

(d) Failure to take reasonable response steps shall be considered a deviation from the permit.

(e) The Permittee shall maintain the following records:

(1) monitoring data;

(2) monitor performance data, if applicable; and

(3) corrective actions taken.

C.19 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5] [326 IAC 2-7-6]

(a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess

emissions from the affected facility while the response actions are being implemented.

(b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.

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

The response action documents submitted pursuant to this condition do require the certification by the "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.20 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

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

(1) Indicate estimated actual emission of all pollutants listed in 326 IAC 2-6-4(a);

(2) Indicate estimated actual emissions of regulated pollutants (as defined by 326 IAC 2-7-1 (32) ("Regulated pollutant, which is used only for purposes of Section 19 of this rule") from the source, for purpose of fee assessment.

The statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

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

(b) The emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

C.21 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6][326 IAC 2-2] [326 IAC 2-3]

(a) Records of all required monitoring data, reports and support information required by this permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be physically present or electronically accessible at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.

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

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

(A) A description of the project;

(B) Identification of any emissions unit whose emissions of a regulated new source review pollutant could be affected by the project;

(C) A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including:

(i) Baseline actual emissions;

(ii) Projected actual emissions;

(iii) Amount of emissions excluded under section 326 IAC 2-2-1(rr)(2)(A)(iii) and 326 IAC 2-3-1(mm)(2)(A)(3); 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.22 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11][326 IAC 2-2][326 IAC 2-3]

(a) The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the “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 326 IAC 2-3-1 (ll)) at an existing Electric Utility Steam Generating Unit, then for that project the Permittee shall:

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

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

Reports required in this part shall be submitted to:

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

(g) If the Permittee is required to comply with the recordkeeping provisions of (c) in Section C - General Record Keeping Requirements for any "project" (as defined in 326 IAC 2-2-1 (qq) and 326 IAC 2-3-1 (ll)) at an existing emissions unit other than Electric Utility Steam Generating Unit, and the project meets the following criteria, then the Permittee shall submit a report to IDEM, OAQ:

(1) The annual emissions, in tons per year, from the project identified in (c)(1) in Section C- General Record Keeping Requirements exceed the baseline actual emissions, as documented and maintained under Section C- General Record Keeping Requirements (c)(1)(C)(i), by a significant amount, as defined in 326 IAC 2-2-1 (xx) and 326 IAC 2-3-1 (qq), for that regulated NSR pollutant, and

(2) The emissions differ from the preconstruction projection as documented and maintained under Section C- General Record Keeping Requirements (c)(1)(C)(ii).

(h) The report for project at an existing emissions unit other than Electric Utility Steam Generating Unit shall be submitted within sixty (60) days after the end of the year and contain the following:

(1) The name, address, and telephone number of the major stationary source.

(2) The annual emissions calculated in accordance with (c)(2) and (3) in Section C-General Record Keeping Requirements.

(3) The emissions calculated under the actual-to-projected actual test stated in 326 IAC 2-2-2(d)(3) and 326 IAC 2-3-2(c)(3).

(4) Any other information that the Permittee deems fit to include in this report,

Reports required in this part shall be submitted to:

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

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

Stratospheric Ozone Protection

C.23 Compliance with 40 CFR 82 and 326 IAC 22-1

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

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

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

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

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

Ambient Monitoring Requirements [326 IAC 7-3]

C.24 Ambient Monitoring [326 IAC 7-3]

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

(b) The Permittee and other operators subject to the requirements of this rule, located in the same county, may submit a joint monitoring plan to satisfy the requirements of this rule. [326 IAC 7-3-2(c)]

(c) The Permittee may petition the commissioner for an administrative waiver of all or some of the requirements of 326 IAC 7-3 if such owner or operator can demonstrate that ambient monitoring is unnecessary to determine continued maintenance of the sulfur dioxide ambient air quality standards in the vicinity of the source. [326 IAC 7-3-2(d)]

Consent Decree Requirements

C.25 Consent Decree [326 IAC 2-7-6(3)]

Pursuant to Consent Decree: Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, beginning thirty days after the calendar quarter ending December 31, 2003, continuing on a semi-annual basis until December 31, 2010, SIGECO shall submit to EPA a progress report. The progress report shall contain the following information:

(a) All information necessary to determine compliance with this Consent Decree; and

(b) All information indicating that the installation and/or commencement of operation for a pollution control device may be delayed, including the nature and cause of the delay, and any steps taken by SIGECO to mitigate such delay.

SECTION D.1 FACILITY OPERATION CONDITIONS

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

(a) One (1) coal/natural gas fired boiler, identified as Unit 1, constructed in 1952, with a maximum capacity of 477 MMBtu per hour, using an electrostatic precipitator as control, and exhausting to stack 1. Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

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

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

D.1.1 Consent Decree

Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003:

(a) By no later than December 31, 2004, SIGECO shall elect and notify the IDEM, OAQ and EPA of its decision to either re-power the Unit 1 from a coal-fired to a natural gas fired unit, or retire and permanently cease to operate Unit 1. By no later than December 31, 2006, SIGECO shall either complete the re-power of Unit 1 from a coal-fired to a natural gas fired unit and satisfy the NOx emission control requirements, or retire and permanently cease to operate Unit 1.

(b) If SIGECO elects to re-power Unit 1 with a new combined cycle system, SIGECO shall install and commence continuous operation of SCR technology so as to achieve a 30-Day Rolling Average Emission Rate not greater than 3.5 ppm NOx by no later than December 31, 2006.

(c) If SIGECO elects to repower Unit 1 using the existing boiler system, SIGECO shall install and commence continuous operation of SCR technology so as to achieve a BACT-level emission rate for NOx as determined by the State permitting process by no later than December 31, 2006.

D.1.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3(b), the particulate matter (PM) emissions from Unit 1 shall not exceed 0.65 pounds per MMBtu heat input.

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

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

(1) When building a new fire in a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute-averaged periods) during the start up period, or until the flue gas temperature entering the electrostatic precipitator reaches two hundred and fifty (250) degrees Fahrenheit at the inlet of the electrostatic precipitator, which ever occurs first.

(2) When shutting down a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

(3) Operation of the electrostatic precipitator is not required during these times.

(b) When removing ashes from the fuel bed or furnace in a boiler or blowing tubes, opacity may exceed the applicable limit established in 326 IAC 5-1-2. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period and opacity in excess of the applicable limit shall not continue for more than one (1) six (6)-minute averaging period in any sixty (60) minute period. The averaging periods shall not be permitted for more than three (3) six (6)-minute averaging periods in a twelve (12) hour period. [326 IAC 5-1-3(b)]

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

D.1.4 Warrick County Sulfur Dioxide (SO_2) Emission Limitations [326 IAC 7-4-10]

(a) Pursuant to 326 IAC 7-4-10, the sulfur dioxide (SO_2) emissions from Unit 1 shall not exceed 2.79 pounds per MMBtu as specified in 326 IAC 7-4-10(a)(1). When the Permittee elects to comply with the alternative Unit 2 SO_2 limit in Condition D.2.4 (4.4 pounds per MMBtu), then the SO_2 emissions from Unit 1 shall not exceed 0.0006 pounds per MMBtu as specified in 326 IAC 7-4-10(a)(1)(B).

(b) Pursuant to 326 IAC 7-4-10(a)(1)(C), SIGECO shall notify IDEM, OAQ and the U.S. EPA via certified mail at least fourteen (14) days prior to its intention to rely on the alternative SO_2 limit (0.0006 pounds per MMBtu), or to switch between the primary limit (2.79 pounds per MMBtu) and the alternative SO_2 limit (0.0006 pounds per MMBtu).

Compliance Determination Requirements

D.1.5 Particulate Control[326 IAC 2-7-6(6)]

(a) In order to comply with Condition D.1.2, the Permittee shall operate the electrostatic precipitator (ESP) at all times (except as otherwise specified in this permit) Unit 1 is in operation.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the electrostatic precipitators (ESP) at all times Unit 1 is combusting coal to maximize PM emission reductions, consistent with the operational and maintenance limitations of the unit.

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

In order to demonstrate compliance with Condition D.1.2, the Permittee shall perform PM testing for Unit 1 no later than July 16, 2005. This test shall be repeated at least once every two and a half (2.5) years following this valid compliance demonstration. Testing shall be conducted utilizing methods approved by the Commissioner and in accordance with Section C - Performance Testing.

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

(a) Pursuant to 326 IAC 3-5-1 and 40 CFR Part 75, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_x and CO_2 emissions from Unit 1. Each CEMS must meet all applicable performance specifications of 326 IAC 3-5-2 and 40 CFR Part 75. The data from the respective CEMS shall be used to determine compliance with Condition D.1.9.

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

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

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

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

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

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

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

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

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

D.1.9 Sulfur Dioxide Emissions [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2] [326 IAC 7-4-10]

Pursuant to 326 IAC 7-2-1(a) and (c), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the applicable limits in Condition D.1.4. Compliance with these limits shall be determined using SO_2 CEMS data and demonstrated using a thirty (30) day rolling weighted average.

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

D.1.10 Electrostatic Precipitator (ESP) Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The ability of the ESP to control particulate emissions shall be monitored once per day, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the T-R sets.

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

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

(a) In the event of opacity from Unit 1 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, adjustment of flue gas conditioning rate, 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 Unit 1 are not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

(c) The Permittee may request that the IDEM, OAQ approve a different opacity trigger level than the one specified in (a) and (b) of this condition, provided the Permittee can demonstrate, through stack testing or other appropriate means, that a different opacity trigger level is appropriate for monitoring compliance with the applicable particulate matter mass emission limits.

D.1.12 SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the SO_2 continuous emission monitoring system (CEMS) is malfunctioning or down for repairs or adjustments, the following shall be used to provide information related to SO_2 emissions:

(a) If the CEMS is down for less than twenty-four (24) hours, the Permittee shall substitute an average of the quality-assured data from the hour immediately before and the hour immediately after the missing data period for each hour of missing data.

(b) If the CEMS is down for twenty-four (24) hours or more, fuel sampling shall be conducted as specified in 326 IAC 3-7-2(a) or (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.

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

D.1.13 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.1.2, D.1.3, D.1.10, and D.1.11, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Conditions D.1.2 and D.1.3.

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

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

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

(4) All ESP parametric monitoring readings.

(b) To document compliance with Conditions D.1.4, D.1.9 and D.1.12, the Permittee shall maintain records in accordance with (1) through (3) below. Records shall be complete and sufficient to establish compliance with the SO_2 limits as required in Conditions D.1.4 and D.1.9. The Permittee shall maintain records in accordance with (2) and (3) below during SO_2 CEM system downtime.

(1) All SO_2 continuous emissions monitoring data, pursuant to 326 IAC 3-5-6, 326 IAC 7-2-1(g).

(2) All fuel sampling and analysis data collected for SO_2 CEM downtime, in accordance with Condition D.1.12.

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

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

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

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

D.1.14 Reporting Requirements

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

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

(1) Date of downtime.

(2) Time of commencement.

(3) Duration of each downtime.

(4) Reasons for each downtime.

(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).

D.1.15 Requirement to Submit a Significant Source and Permit Modification Application [326 IAC 2-7-12][326 IAC 2-7-5]

The Permittee shall submit an application for a significant source modification and significant permit modification to IDEM, OAQ to incorporate planned changes to Unit 1 as directed by Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003. The modification application(s) shall be consistent with 326 IAC 2-7-10.5 and 326 IAC 2-7-12 and include information sufficient for IDEM, OAQ to incorporate into the Title V permit the appropriate requirements for Unit 1. The modification application(s) shall be submitted to:

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

SECTION D.2 FACILITY OPERATION CONDITIONS

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

(b) One (1) coal/natural gas fired boiler, identified as Unit 2, constructed in 1963, with a maximum capacity of 1031 MMBtu per hour, using an electrostatic precipitator for control, and a low NOx burner for NOx reduction, and exhausting to stack 3. Unit 2 shares the FGD system and exhaust stack with Unit 3, and has stack 2 as a bypass stack. Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

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

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

D.2.1 Consent Decree

Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the FGD scrubber serving Unit 2 shall achieve and maintain a 30-Day Rolling Average SO_2 Removal Efficiency of at least ninety-five percent (95%).

D.2.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3(b), the particulate matter (PM) emissions from Unit 2 shall not exceed the 0.38 pounds per million Btu heat input.

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

(a) Pursuant to 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), the following applies to Unit 2:

(1) When building a new fire in a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute-averaged periods) during the start up period, or until the flue gas temperature entering the electrostatic precipitator reaches two hundred and fifty (250) degrees Fahrenheit at the inlet of the electrostatic precipitator, which ever occurs first.

(2) When shutting down a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

(3) Operation of the electrostatic precipitator is not required during these times.

(b) When removing ashes from the fuel bed or furnace in a boiler or blowing tubes, opacity may exceed the applicable limit established in 326 IAC 5-1-2. However, opacity levels shall not exceed sixty percent (60%) for any six (6)-minute averaging period and opacity in excess of the applicable limit shall not continue for more than one (1) six (6)-minute averaging period in any sixty (60) minute period. The averaging periods shall not be permitted for more than three (3) six (6)-minute averaging periods in a twelve (12) hour period. [326 IAC 5-1-3(b)]

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

D.2.4 Warrick County Sulfur Dioxide (SO_2) Emission Limitations [326 IAC 7-4-10]

(a) Pursuant to 326 IAC 7-4-10, the sulfur dioxide (SO_2) emissions from Unit 2 shall not exceed 2.79 pounds per MMBtu as specified in 326 IAC 7-4-10(a)(1). Unit 2 has an alternative SO_2 limit; the SO_2 emissions shall not exceed 4.40 pounds per MMBtu, as specified in 326 IAC 7-4-10(a)(1)(B).

(b) Pursuant to 326 IAC 7-4-10(a)(1)(C), SIGECO shall notify IDEM, OAQ and the U.S. EPA via certified mail at least fourteen (14) days prior to its intention to rely on the alternative SO_2 limit (4.4 pounds per MMBtu), or to switch between the primary limit (2.79 pounds per MMBtu) and the alternative SO_2 limit (4.4 pounds per MMBtu).

Compliance Determination Requirements

D.2.5 Particulate Control [326 IAC 2-7-6(6)]

(a) In order to comply with Condition D.2.2, the Permittee shall operate the electrostatic precipitator (ESP) at all times Unit 2 is combusting coal (except as otherwise specified in this permit or when firing only natural gas).

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the electrostatic precipitators (ESP) at all times Unit 2 is combusting coal to maximize PM emission reductions, consistent with the operational and maintenance limitations of the unit.

D.2.6 Sulfur Dioxide Control

(a) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, and in order to comply with Conditions D.2.1 and D.2.4, the Permittee shall operate the FGD scrubber at all times Unit 2 is in operation (except as otherwise specified in this permit or when firing only natural gas).

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall continuously operate the FGD serving Units 2 and 3 at all times that the Unit 2 is in operation, except in the event of a planned FGD outage. Following startup of coal, the Permittee does not need to operate the FGD until the unit is fired with coal.

(c) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, in the event of a planned FGD outage, SIGECO may continue to operate Unit 2 but shall burn down the coal existing in the Unit 2 bunker to the extent practicable, and, prior to shutting down the FGD, load Compliance Coal into the bunker for use until such time as the FGD resumes operation. In the event of an unplanned FGD outage, SIGECO shall feed Compliance Coal to the Unit 2 bunker until such time as the FGD resumes operation. Compliance Coal is defined as 2.0 lb/MMBtu SO_2 as demonstrated by a 4-hour composite sample of the feed stock.

D.2.7 Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

In order to demonstrate compliance with Condition D.2.2, the Permittee shall perform PM testing for Unit 2 no later than March 30, 2006. This test shall be repeated at least once every two and a half (2.5) years following this valid compliance demonstration. Testing shall be conducted utilizing methods as approved by the Commissioner and in accordance with Section C - Performance Testing.

D.2.8 Continuous Emission Monitoring [326 IAC 3-5] [40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5-1 and 40 CFR Part 75, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_x and CO_2 emissions from Unit 2 (at the outlet of the scrubber). Each CEMS must meet all applicable performance specifications of 326 IAC 3-5-2 and 40 CFR Part 75. The data from the respective CEMS shall be used to determine compliance with Condition D.2.10.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2 emission rate at the inlet to the scrubber. The data from the inlet CEMS and outlet CEMS of (a) above shall be used to determine compliance with Condition D.2.1.

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

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

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

D.2.9 Continuous Opacity Monitoring [326 IAC 3-5][40 CFR Part 75]

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

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

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

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

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

D.2.10 Sulfur Dioxide Emissions [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2] [326 IAC 7-4-10]

(a) Pursuant to 326 IAC 7-2-1(a) and (c), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the applicable limits in Condition D.2.4. Compliance with these limits shall be determined using SO_2 CEMS data and demonstrated using a thirty (30) day rolling weighted average.

(b) In order to comply with Condition D.2.1, the Permittee shall demonstrate that the FGD scrubber operates with the minimum sulfur dioxide (SO_2) removal efficiency required by Condition D.2.1.

(1) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the inlet SO_2 emission rate shall be determined in accordance with 40 CFR 75.15, using CEMS data from the inlet to the scrubber.

(2) The continuous emission monitoring (CEM) data (Condition D.2.8) shall be used to determine the SO_2 emissions following the scrubber.

(3) A comparison of the data from (1) and (2) above shall be used to determine the efficiency of the FGD scrubber.

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

D.2.11 Electrostatic Precipitator (ESP) Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The ability of the ESP to control particulate emissions shall be monitored once per day, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the T-R sets.

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

D.2.12 Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

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

(b) Opacity readings in excess of thirty percent (30%) but not exceeding the opacity limit for Unit 2 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.2.13 SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

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

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

D.2.14 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.2.2, D.2.3, D.2.11, and D.2.12, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Conditions D.2.2 and D.2.3.

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

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

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

(4) All ESP Parametric monitoring readings.

(b) To document compliance with Conditions D.2.1, D.2.4, D.2.10 and D.2.13, the Permittee shall maintain records in accordance with (1) through (3) below. Records shall be complete and sufficient to establish compliance with the SO_2 limits as required in Conditions D.2.1, D.2.4 and D.2.10. The Permittee shall maintain records in accordance with (2) and (3) below during SO_2 CEM system downtime.

(1) All SO_2 continuous emissions monitoring data, pursuant to 326 IAC 3-5-6, 326 IAC 7-2-1(g).

(2) Boiler load, recirculation pH, slurry feed rate and number of re-circulation pumps in service during SO_2 CEM downtime, in accordance with Condition D.2.13.

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

(c) To document compliance with Conditions D.2.8, the Permittee shall maintain records of all NO_X continuous emissions monitoring data, pursuant to 326 IAC 3-5-6. Records shall be complete and sufficient to establish compliance with the NO_X limit as required in Condition D.2.8.

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

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

D.2.15 Reporting Requirements

(a) A quarterly report of opacity exceedances and a quarterly summary of the information to document compliance with Conditions D.2.8 and D.2.9 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 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).

(c) Pursuant to MPR 173-12521-00001, issued on February 23, 2001, the Permittee shall maintain and submit to IDEM, OAQ, information demonstrating that the maintenance modifications did not result in an increase in the annual emissions of any pollutant which is regulated under the Clean Air Act (CAA) [40 CFR 52.21; 326 IAC 2-1.1; 3226 IAC 2-7-10.5]. This information shall be submitted on an annual basis for a period of five (5) years from the date Unit 2 resumed regular operation following the completion of the maintenance activities (December, 2002). This information shall include the following:

(1) Annual fuel use;

(2) Hours of operation;

(3) Annual emissions for all criteria pollutants; and

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

This information shall be submitted to:

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

and shall be postmarked or delivered by other means no later than thirty (30) calendar days following the last day of the reporting period.

SECTION D.3 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] : Unit 3

(c) One (1) coal/natural gas fired boiler, identified as Unit 3, constructed in 1970, with a maximum capacity of 2689 MMBtu per hour, using an electrostatic precipitator for control, and low NOx burner and selective catalytic reduction technology (SCR) for NOx reduction, and exhausting to stack 3. Unit 3 shares the FGD system and exhaust stack with Unit 2. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

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

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

D.3.1 Consent Decree

Pursuant to Consent Decree: Civil Action No. IP99-1692 C-M/F, effective June 6, 2003:

(a) SIGECO shall continuously operate the SCR to achieve and maintain a 30-Day rolling average emission rate for NOx of not greater than 0.100 lb/MMBtu.

(b) The FGD serving Unit 3 shall achieve and maintain a 30-Day rolling average SO_2 removal efficiency of at least ninety-five percent (95%).

(c) By no later than June 30, 2007, SIGECO shall install and operate a baghouse at Unit 3 that achieves and maintains a PM emission rate of less than or equal to 0.015 lb/MMBtu.

(d) SIGECO shall design, construct, operate, and analyze a Sulfuric Acid Reduction Project ("Project") to reduce SO_3 content in the flue gas of Unit 3. SIGECO shall, by no later than June 30, 2004, commence operation of the Project. The Project requires the injection of sodium bisulfite/sulfate in variable concentrations to determine the removal efficiency and viability of operation. The Project includes, but is not limited to, installation of pollution control technology including an injection grid, piping, pumps, storage tanks and a control system.

D.3.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3(b), the particulate matter (PM) emissions from Unit 3 shall not exceed the 0.32 pounds per million Btu heat input.

D.3.3 Startup, Shutdown and Other Opacity Limits [326 IAC 5-1-3]

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

(1) When building a new fire in a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a total of one (1) hour (ten (10) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred and fifty (250) degrees Fahrenheit at the inlet of the electrostatic precipitator, whichever occurs first.

(2) When shutting down a boiler, opacity may exceed the applicable limitation established in 326 IAC 5-1-2 for a period not to exceed a total of one half (0.5) hour (five (5) six (6)-minute averaging periods) during the shutdown period.

(3) Operation of the electrostatic precipitator is not required during these times.

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

D.3.4 Warrick County Sulfur Dioxide (SO_2) Emission Limitations [326 IAC 7-4-10]

Pursuant to 326 IAC 7-4-10, the sulfur dioxide (SO_2) emissions from Unit 3 shall not exceed 5.41 pounds per MMBtu as specified in 326 IAC 7-4-10(a)(1).

Compliance Determination Requirements

D.3.5 SO_2 Control [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) In order to comply with Condition D.3.4, the Permittee shall continuously operate the FGD scrubber at all times Unit 3 is in operation (except as otherwise specified in this permit or when firing only natural gas).

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall continuously operate the FGD at all times that the Unit 3 is in operation, except in the event of a planned FGD outage. Following startup of coal, the Permittee does not need to operate the FGD until the unit is fired with coal.

D.3.6 Particulate Control

(a) In order to demonstrate compliance with Condition D.3.2, the Permittee shall operate the electrostatic precipitator (ESP) at all times (except as otherwise specified in this permit) Unit 3 is in operation.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the electrostatic precipitators (ESP) at all times Unit 3 is combusting coal to maximize PM emission reductions, consistent with the operational and maintenance limitations of the unit.

D.3.7 Nitrogen Oxide Control

(a) The SCR for NOx control shall be in operation at all times (except as otherwise specified in this permit) when Unit 3 is in operation.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the SCR on Unit 3 at all times that the facility is in operation, consistent with the technological limitations, manufacturers' specifications, and good operating practices for the SCR.

D.3.8 Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall perform PM testing for Unit 3 no later than December 31, 2005. This test shall be repeated at least once every two (2.0) years following this valid compliance demonstration. Testing shall be conducted utilizing methods as approved by the Commissioner and in accordance with Section C- Performance Testing.

D.3.9 Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) In the event of opacity exceeding thirty percent (30%) average opacity for three (3) consecutive six (6) minute averaging periods, appropriate response steps shall be taken in accordance with Section C - Response to Excursions or Exceedances such that the cause(s) of the excursion are identified and corrected and opacity levels are brought back below thirty percent (30%). Examples of expected response steps include, but are not limited to, boiler loads being reduced, and ESP T-R sets being returned to service.

(b) Opacity readings in excess of thirty percent (30%) but not exceeding the opacity limit for the unit are not a deviation from this permit. Failure to take response steps in

accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

(c) The Permittee may request that the IDEM, OAQ approve a different opacity trigger level than the one specified in (a) and (b) of this condition, provided the Permittee can demonstrate, through stack testing or other appropriate means, that a different opacity trigger level is appropriate for monitoring compliance with the applicable particulate matter mass emission limits.

D.3.10 Continuous Emission Monitoring [326 IAC 3-5][40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5-1, and 40 CFR Part 75, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_x, and CO_2 emissions from Unit 3. Each CEMS must meet all applicable performance specifications of 326 IAC 3-5-2, and 40 CFR Part 75. The data from the respective CEMS will be used to determine compliance with Conditions D.3.1, D.3.4 and D.3.12.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2 emission rate at the inlet to the scrubber. The data from the inlet CEMS and outlet CEMS of (a) above shall be used to determine compliance with Condition D.3.1(b).

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

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

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

D.3.11 Continuous Opacity Monitoring [326 IAC 3-5][40 CFR Part 75]

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

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

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

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

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

D.3.12 Sulfur Dioxide Emissions [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

(a) Pursuant to 326 IAC 7-2-1(a) and (c), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the applicable limits in Condition D.3.4. Compliance with these limits shall be determined using SO_2 CEMS data and demonstrated using a thirty (30) day rolling weighted average.

(b) In order to comply with Condition D.3.1, the Permittee shall demonstrate that the FGD scrubber operates with the minimum sulfur dioxide (SO_2) removal efficiency required by Condition D.3.1.

(1) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the inlet SO_2 emission rate shall be determined in accordance with 40 CFR 75.15, using CEMS data from the inlet to the scrubber.

(2) The continuous emission monitoring (CEM) data (Condition D.3.10) shall be used to determine the SO_2 emissions following the scrubber.

(3) A comparison of the data from (1) and (2) above shall be used to determine the efficiency of the FGD scrubber.

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

D.3.13 Electrostatic Precipitator (ESP) Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The ability of the ESP to control particulate emissions shall be monitored once per day, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the T-R sets.

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

D.3.14 SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

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

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

D.3.15 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.3.3, D.3.9 and D.3.13, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Condition D.3.3.

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

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

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

(4) All ESP parametric monitoring readings.

(b) To document compliance with Conditions D.3.1, D.3.4, D.3.6, D.3.12 and D.3.14, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the SO_2 limits as required in Conditions D.3.3, D.3.4**,** and D.3.12. The Permittee shall maintain records in accordance with (2) and (3) below during SO_2 CEM system downtime.

(1) All SO_2 continuous emissions monitoring data, pursuant to 326 IAC 3-5-6, 326 IAC 7-2-1(g).

(2) Boiler load, recirculation pH, slurry feed rate and number of re-circulation pumps in service during SO_2 CEM downtime, in accordance with Condition D.3.14.

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

(c) To document compliance with Conditions D.3.1 and D.3.10 the Permittee shall maintain records of all NO_X continuous emissions monitoring data, pursuant to 326 IAC 3-5-6. Records shall be complete and sufficient to establish compliance with the NO_X limits as required in Conditions D.3.1 and D.3.10.

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

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

D.3.16 Reporting Requirements

(a) A quarterly report of opacity exceedances and a quarterly summary of the information to document compliance with Conditions D.3.10 and D.3.11 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 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).

D.3.17 Requirement to Submit a Significant Source and Permit Modification Application

[326 IAC 2-7-12][326 IAC 2-7-5]

The Permittee shall submit an application for a significant source modification and significant permit modification to IDEM, OAQ to incorporate planned changes to Unit 3 as directed by Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003. The modification application(s) shall be consistent with 326 IAC 2-7-10.5 and 326 IAC 2-7-12 and include information sufficient for IDEM, OAQ to incorporate into the Title V permit the appropriate requirements for Unit 3. The modification application(s) shall be submitted to:

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

SECTION D.4 FACILITY OPERATION CONDITIONS

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

(d) Coal storage and handling operations, identified as Unit 5F, constructed in 1954, expanded in 1963 and 1970, and modified in 1994, consisting of the following activities:

(1) Unit 1 coal storage pile of 55,000 tons.

(2) Unit 1 coal pile transfer conveyor to Units 2 and 3 coal pile, with a maximum coal feed belt capacity of 600 tons per hour.

(3) Unit 1 coal pile hopper, with a maximum coal feed belt capacity of 600 tons per hour.

(4) Unit 1 coal hopper conveyor, with a maximum coal feed belt capacity of 600 tons per hour.

(5) Unit 1 coal transfer house conveyor drop, with a maximum coal feed belt capacity of 600 tons per hour.

(6) Unit 1 coal transfer house conveyor, with a maximum coal feed belt capacity of 1240 tons per hour.

(7) Units 1 and 2 coal transfer house conveyor drop, with a maximum coal feed belt capacity of 1240 tons per hour.

(8) Units 1 and 2 coal transfer house conveyor, with a maximum coal feed belt capacity of 1240 tons per hour.

(9) Units 1 and 2 pulverizer coal tripper conveyor, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(10) Units 1 and 2 pulverizer coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(11) Units 1 and 2 pulverizer coal bunkers, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(12) Units 2 and 3 coal pile of 645,000 tons.

(13) Unit 2 coal pile hopper, with a maximum coal feed belt capacity of 640 tons per hour.

(14) Unit 2 coal pile hopper conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(15) Unit 3 coal pile hopper, with a maximum coal feed belt capacity of 640 tons per hour.

(16) Unit 3 coal pile hopper conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(17) Unit 3 coal transfer house conveyor drop 1, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed transfer house and baghouse for control, exhausting to stack 8.

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

SECTION D.4 FACILITY OPERATION CONDITIONS CONTINUED...

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

(18) Unit 3 coal transfer house conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(19) Unit 3 coal transfer house conveyor drop 2, with a maximum coal feed belt capacity of 640 tons per hour.

(20) Unit 3 pulverizer coal tripper conveyor, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(21) Unit 3 pulverizer coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(22) Unit 3 pulverizer coal bunker, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

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

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

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

(a) Pursuant to 326 IAC 6-3-2, particulate emissions from the:

(1) Unit 1 coal pile transfer conveyor, coal pile hopper, coal hopper conveyor, coal transfer house and conveyor drop shall each not exceed 71.16 pounds per hour when each operating at a process weight rate of 600 tons per hour.

(2) Unit 1 and 2 coal transfer house conveyor drop, coal transfer house conveyor, powerhouse coal tripper conveyor, powerhouse coal tripper conveyor bunker drop, power house coal bunkers and Unit 1 coal transfer house conveyor shall each not exceed 80.4 pounds per hour when each operating at a process weight rate of 1240 tons per hour.

(3) Unit 2 coal pile hopper and coal pile hopper conveyor shall each not exceed 71.95 pounds per hour when each operating at a process weight rate of 640 tons per hour.

(4) Unit 3 coal pile hopper, coal pile hopper conveyor, coal transfer house conveyor drop 1, coal transfer house conveyor, coal transfer house conveyor drop 2, powerhouse coal tripper conveyor, powerhouse coal tripper conveyor bunker drop and powerhouse coal bunker shall each not exceed 71.95 pounds per hour when each operating at a process weight rate of 640 tons per hour.

(b) The pound per hour limitation was calculated with the following equation:

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

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

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

Compliance Determination Requirements

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

(a) Except as otherwise provided by statute or rule or in this permit, in order to comply with Condition D.4.1 the enclosures and baghouses for particulate control shall be in place and operate at all times the associated coal handling facilities are in operation.

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

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

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

(a) Visible emission notations of stack 8 exhaust, coal storage piles and the coal transfer points shall be performed once per week during normal daylight operations when transferring coal. A trained employee shall record whether emissions are normal or abnormal.

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

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

(d) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(e) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

D.4.4 Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

The Permittee shall record the pressure drop across the baghouse exhausting to stack 8 at least once per week. When for any one reading, the pressure drop across the baghouse is outside the normal range of 5.0 and 12.0 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.

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 emissions unit shall be shut down no later than the completion of the processing of the material in the emission units. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

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

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

D.4.6 Record Keeping Requirements

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

(b) To document compliance with Condition D.4.4, the Permittee shall maintain records of the pressure drop across each baghouse once per week.

(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)] : Fly Ash Handling Facilities

(e) A fly ash handling facility, identified as Unit 6, constructed in 1994, consisting of the following operations:

(1) One (1) fly ash storage silo receiving fly ash via a close-pipe vacuum handling system from the electrostatic precipitator hoppers of Units 2 and 3, with a maximum capacity of 1000 tons, and a maximum throughput of 179.9 tons per hour, with a fabric filter separator exhausting to stack 16 and a bin filter exhausting to stack 17. The filter/separator is designed for operation 50% of the time.

(2) One (1) fly ash silo truck loadout station, with a maximum capacity of 25 tons per hour (the coal trucks have a maximum capacity of 25 tons and haul ash at the rate of one truck per hour), with an enclosed telescoping discharged chute and emissions reduced by fly ash wetting and partial loading of the trucks.

(3) One (1) East Ash Pond receiving sluiced (closed-pipe) bottom ash from Units 1, 2 and 3 and sluiced fly ash from Unit 1. The ash is discharged to the pond at a maximum annual rate of 4.65 tons per hour and stored in wet form, that is, a layer of water maintained above the ponded ash and dredging operations conducted periodically to maintain the ponded storage state.

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

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

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

(a) Pursuant to 326 IAC 6-3-2, the particulate emissions from the fly ash storage silo shall not exceed 57.4 pounds per hour when operating at a process weight rate of 179.9 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

$E = 55.0P^{0.11} - 40$ 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, the particulate emissions from the fly ash silo truck loadout station shall not exceed 35.4 pounds per hour when operating at a process weight rate of 25 tons per hour.

The pound per hour limitation was calculated with 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

(c) When the process weight rate exceeds two hundred (200) tons per hour, the allowable emission may exceed the pounds per hour limitation calculated using the above

equation, provided the concentration of particulate in the discharge gases to the atmosphere is less than 0.10 pounds per one thousand (1,000) pounds of gases.

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

D.5.2 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the East Ash Pond and fly ash silo truck loadout station shall be performed at least once per day during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

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

(c) 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.

(d) If abnormal visible emissions of ash are observed from the ash storage pond area and fly ash silo truck loadout station, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Observation of visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

(e) 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.

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

D.5.3 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.5.2, the Permittee shall maintain records of the once per day visible emission notations of the fly ash and bottom ash storage pond areas, temporary stockpiles and transfer points.

(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)] : Gyspum and Limestone Handling Facilities

(f) A limestone handling facility, identified as Unit 7, constructed in 1994, consisting of the following operations:

(1) One (1) limestone unloading floating clamshell dock, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 6.

(2) One (1) covered conveyor, identified as Conveyor 1, with a maximum throughput of 550 tons per hour.

(3) One (1) limestone truck loadout to conveyor, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 9.

(4) One (1) covered conveyor, identified as Conveyor 2, with a maximum throughput of 800 tons per hour.

(5) One (1) limestone storage building, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 10.

(6) One (1) limestone storage building loadout, with a maximum capacity of 750 tons per hour, with an enclosed building for dust control, exhausting indoors.

(7) One (1) covered conveyor, identified as Conveyor 3, with a maximum throughput of 300 tons per hour.

(8) One (1) limestone transfer house #1, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 12.

(9) One (1) covered conveyor, identified as Conveyor 4, with a maximum throughput of 300 tons per hour.

(10) One (1) limestone transfer house, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 8.

(11) One (1) covered conveyor, identified as Conveyor 5, with a maximum throughput of 300 tons per hour.

(12) One (1) limestone transfer house #2, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 14.

(13) One (1) covered conveyor, identified as Conveyor 6, with a maximum throughput of 300 tons per hour.

(14) One (1) limestone day silo, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 15.

(g) A gypsum (wet filter cake of 80-85% moisture content) handling facility, identified as Unit 8, constructed in 1994, consisting of the following operations:

(1) One (1) gypsum filter cake conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 11.

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

SECTION D.6 FACILITY OPERATION CONDITIONS CONTINUED...

Facility Description [326 IAC 2-7-5(15)] : Gyspum and Limestone Handling Facilities Continued

(2) One (1) gypsum filter cake conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 13.

(3) One (1) covered conveyor, identified as G-1A, with a maximum capacity of 50 tons per hour.

(4) One (1) covered conveyor, identified as G-1B (operates only when G-1A is offline), with a maximum capacity of 50 tons per hour.

(5) One (1) gypsum filter cake transfer house conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 4.

(6) One (1) covered conveyor, identified as G-2A, with a maximum capacity of 50 tons per hour.

(7) One (1) covered conveyor, identified as G-2B (operates only when G-2A is offline), with a maximum capacity of 50 tons per hour.

(8) One (1) gypsum storage building consisting of two (2) 1000-ton gypsum storage silos and one (1) storage pile designated for truck haul-away, exhausting indoors.

(9) One (1) covered silo to barge loadout primary filter cake transfer conveyor, identified as Conveyor 4, with a maximum capacity of 400 tons per hour, with a fabric filter for dust control, exhausting to stack 7.

(10) One (1) covered silo to truck secondary transfer conveyor, identified as Conveyor 3, with a maximum capacity of 400 tons per hour, exhausting indoors.

(11) One (1) gypsum barge loadout conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 5.

(12) One (1) gypsum barge loadout with two (2) telescoping transfer chutes delivering filter cake gypsum to river barges, with a maximum capacity of 400 tons per hour.

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

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

D.6.1 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The provisions of 40 CFR Part 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to the facilities described in this section except when otherwise specified in 40 CFR Part 60, Subpart OOO.

D.6.2 New Source Performance Standard (NSPS): Nonmetallic Mineral Processing Plants [326 IAC 12] [40 CFR 60, Subpart OOO]

Pursuant to 326 IAC 12 and 40 CFR 60.670 through 60.676, Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants), the limestone (Unit 7) and gypsum (Unit 8) handling operations are subject to the following requirements:

(1) The Permittee shall not cause to be discharged into the atmosphere:

(A) From the following limestone handling facilities: limestone unloading floating dock (S6), limestone transfer house (S8), limestone truck loadout to conveyor (S9), limestone storage building (S10), limestone transfer house #1 (S12), limestone transfer house #2 (S14), limestone daily silo feed (S15); and the following gypsum handling operations: gypsum silo feed conveyor (S4), gypsum barge loadout (S5), gypsum unloading onto G5 conveyor (S7), gypsum to G-1A conveyor (S11), gypsum to G-1B conveyor (S13), any stack emissions which:

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

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

(B) From the limestone and gypsum covered conveyors and gypsum barge loadout, any fugitive emissions which exhibit greater than ten percent (10%) opacity, except as provided in (1)(C), (D), and (E) of this condition. [40 CFR 60.672(b)]

(C) Truck dumping of nonmetallic minerals into any screening operation, feed hopper, or crusher is exempt from the requirements of 40 CFR 60.672. [40 CFR 60.672(d)]

(D) The limestone storage building loadout and gypsum storage building are enclosed; therefore, each enclosed affected facility must comply with the emission limits in (1)(A), (B), and (C) of this condition, or the Permittee shall not cause to be discharged into the atmosphere:

(i) From the limestone storage building loadout and gypsum storage building, any visible fugitive emissions except emissions from a vent as defined in 40 CFR 60.671.

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

(E) From the baghouse that controls emissions from the limestone storage building (S10) and the limestone day silo (S15), stack emissions which exhibit greater than seven percent (7%) opacity. Multiple storage bins with combined stack emissions shall comply with the emission limits in (1)(A) of this condition. [40 CFR 60.672(f)]

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

D.6.3 Particulate Emission Limitations for Manufacturing Processes [326 IAC 6-3-2]

(a) Pursuant to 326 IAC 6-3-2, the particulate emissions from:

(1) Conveyor 1 shall not exceed 70.1 pounds per hour when operating at a process weight rate of 550 tons per hour.

(2) Conveyor 2 shall not exceed 74.7 pounds per hour when operating at a process weight rate of 800 tons per hour.

(3) Conveyors 3, 4, 5 and 6 shall each not exceed 63.0 pounds per hour when each operating at a process weight rate of 300 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

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

(b) Pursuant to 326 IAC 6-3-2, the particulate emissions from Conveyors G-1A, G-1B, G-2A and G-2B shall each not exceed 56.4 pounds per hour when each operating at a process weight rate of 50 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

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

(c) Pursuant to 326 IAC 6-3-2, the particulate emissions from the gypsum barge loadout shall not exceed 66.3 pounds per hour when operating at a process weight rate of 400 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

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

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

Compliance Determination Requirements

D.6.4 NSPS Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart OOO]

Compliance with the particulate and opacity emission limitations in Condition D.6.2 shall be determined by the methods and procedures specified in 40 CFR 60.675.

D.6.5 Particulate Control [326 IAC 2-7-6(6)]

(a) Except as otherwise provided by statute rule or this permit, in order to comply with Condition D.6.2 the fabric filters (baghouses) for particulate control shall be in operation and control emissions at all times the associated facilities are in operation. In order to comply with Condition D.6.3, the conveyors shall remain covered at all times they are in operation.

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

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

D.6.6 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the fabric filters (baghouses) and enclosure stack exhausts (S4 through S15) shall be performed once per week during normal daylight operations when the limestone and gypsum handling facilities of Unit 7 and Unit 8 are in operation. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Observation of an abnormal emission that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

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

(d) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(e) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

D.6.7 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 of the baghouses used in conjunction with the gypsum and limestone handling facilities of Unit 7 and Unit 8 at least once per week when the facilities are in operation. When for any one reading, the pressure drop across the baghouse is outside the normal range of 5.0 and 12.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Responses 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 - Responses 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.6.8 Broken or Failed Bag Detection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

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

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

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

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

D.6.9 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.6.6, the Permittee shall maintain records of the visible emission notations once per week.

(b) To document compliance with Condition D.6.7, the Permittee shall maintain records of the pressure drop across each baghouse once per week.

(c) 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)] : FGD System on Units 2 and 3

(h) One (1) flue gas desulfurization (FGD) system for Units 2 and 3, constructed in 1994, consisting of the following limestone operations:

(1) Two (2) wet ball mills (one operational and one full capacity spare), receiving limestone from the day silo of the limestone handling facility (Unit 8). Each ball mill is a closed-device (hard-piped, enclosed design), wet mill capable of handling 20.5 tons per hour of dry limestone feed.

(2) Two (2) limestone slurry storage tanks, receiving the ball mill product (fresh limestone slurry), which is then discharged into the scrubber system. The scrubbed gas stream exits the absorber tower through the scrubber stack.

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

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

D.7.1 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The provisions of 40 CFR Part 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to the facilities described in this section except when otherwise specified in 40 CFR Part 60, Subpart OOO.

D.7.2 New Source Performance Standard (NSPS): Nonmetallic Mineral Processing Plants [326 IAC 12] [40 CFR 60, Subpart OOO]

Pursuant to 326 IAC 12 and 40 CFR 60.670 through 60.676, Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants), the FGD system on Units 1 and 2 is subject to the following requirements:

(1) The Permittee shall not cause to be discharged into the atmosphere:

(A) From the transfer of limestone from the day silo to the ball mills, any fugitive emissions which exhibit greater than ten percent (10%) opacity, except as provided in (1)(B), and (C) of this condition. [40 CFR 60.672(b)]

(B) Truck dumping of nonmetallic minerals into any screening operation, feed hopper, or crusher is exempt from the requirements of 40 CFR 60.672. [40 CFR 60.672(d)]

(C) The wet ball mills are enclosed; therefore, each enclosed affected facility must comply with the emission limits in (1)(A), and (B) of this condition.

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

Compliance Determination Requirement

D.7.3 NSPS Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart OOO]

Compliance with the particulate and opacity emission limitations in Condition D.7.2 shall be determined by the methods and procedures specified in 40 CFR 60.675.

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

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

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

(b) If abnormal visible emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Observation of visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

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

(d) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(e) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

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

D.7.5 Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.7.4, the Permittee shall maintain records of the once per week visible emission notations of the limestone transfer points.

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

SECTION D.8 FACILITY OPERATION CONDITIONS

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

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

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

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

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

D.8.1 Particulate Emission Limitations for Manufacturing Processes [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2, the particulate emissions from vents from ash transport systems not operated at positive pressure and from coal bunker and coal scale exhausts and associated dust collector vents shall be limited by the following:

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

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

SECTION E TITLE IV CONDITIONS

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

(a) One (1) coal/natural gas fired boiler, identified as Unit 1, constructed in 1952, with a maximum capacity of 477 MMBtu per hour, using an electrostatic precipitator as control, and exhausting to stack 1. Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/natural gas fired boiler, identified as Unit 2, constructed in 1963, with a maximum capacity of 1031 MMBtu per hour, using an electrostatic precipitator for control, and a low NOx burner for NOx reduction, and exhausting to stack 3. Unit 2 shares the FGD system and exhaust stack with Unit 3, and has stack 2 as a bypass stack. Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/natural gas fired boiler, identified as Unit 3, constructed in 1970, with a maximum capacity of 2689 MMBtu per hour, using an electrostatic precipitator for control, and low NOx burner and selective catalytic reduction technology (SCR) for NOx reduction, and exhausting to stack 3. Unit 3 shares the FGD system and exhaust stack with Unit 2. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

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

Acid Rain Program

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

Pursuant to 326 IAC 21 (Acid Deposition Control), the Permittee shall comply with all provisions of the Acid Rain permit issued for this source, and any other applicable requirements contained in 40 CFR 72 through 40 CFR 78. The Acid Rain permit for this source is attached to this permit as Appendix A, 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: 1012

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

(a) One (1) coal/natural gas fired boiler, identified as Unit 1, constructed in 1952, with a maximum capacity of 477 MMBtu per hour, using an electrostatic precipitator as control, and exhausting to stack 1. Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/natural gas fired boiler, identified as Unit 2, constructed in 1963, with a maximum capacity of 1031 MMBtu per hour, using an electrostatic precipitator for control, and a low NOx burner for NOx reduction, and exhausting to stack 3. Unit 2 shares the FGD system and exhaust stack with Unit 3, and has stack 2 as a bypass stack. Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/natural gas fired boiler, identified as Unit 3, constructed in 1970, with a maximum capacity of 2689 MMBtu per hour, using an electrostatic precipitator for control, and low NOx burner and selective catalytic reduction technology (SCR) for NOx reduction, and exhausting to stack 3. Unit 3 shares the FGD system and exhaust stack with Unit 2. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unless otherwise provided, the owners and operators of the NO_X budget source and each NO_X budget unit at the source shall keep, either on site at the source or at a central location within Indiana for those owners or operators with unattended sources, each of the following documents for a period of five (5) years:

(a) The account certificate of representation for the NO_X authorized account representative for the source and each NO_X budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in

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

(b) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide for a three (3) year period for record keeping, the three (3) year period shall apply.

(c) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_X budget trading program.

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

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

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

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

(b) Pursuant to 326 IAC 10-4-4(e) and 326 IAC 10-4-6(e)(1), each submission shall include the following certification statement by the NO_X authorized account representative: "I am authorized to make this submission on behalf of the owners and operators of the NO_X budget sources or NO_X budget units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(c) Where 326 IAC 10-4 requires a submission to IDEM, OAQ, the NO_X authorized account representative shall submit required information to:

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

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

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

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

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

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

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

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

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

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

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

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

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

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY

PART 70 OPERATING PERMIT
CERTIFICATION

Source Name: Southern Indiana Gas and Electric Company (SIGECO)
Source Address: F.B. Culley Generating Station, 3711 Darlington Road, Newburgh, Indiana 47630
Mailing Address: 20 Northwest Fourth Street, Evansville, Indiana 47741
Part 70 Permit No.: T173-6885-00001

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: 317-233-5674
Fax: 317-233-5967

PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT

Source Name: Southern Indiana Gas and Electric Company (SIGECO)
Source Address: F.B. Culley Generating Station, 3711 Darlington Road, Newburgh, Indiana 47630
Mailing Address: 20 Northwest Fourth Street, Evansville, Indiana 47741
Part 70 Permit No.: T173-6885-00001

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

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

- C The Permittee must notify the Office of Air Quality (OAQ), within four (**4**) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); and
- C The Permittee must submit notice in writing or by facsimile within two (**2**) working days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16.

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

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

If any of the following are not applicable, mark N/A **Page 2 of 2**

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency? Y N Describe:
Type of Pollutants Emitted: TSP, PM-10, SO_2, VOC, NO_X, CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by: _____

Title / Position: _____

Date: _____

Telephone: _____

A certification is not required for this report.

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

PART 70 OPERATING PERMIT
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT

Source Name: Southern Indiana Gas and Electric Company (SIGECO)
Source Address: F.B. Culley Generating Station, 3711 Darlington Road, Newburgh, Indiana 47630
Mailing Address: 20 Northwest Fourth Street, Evansville, Indiana 47741
Part 70 Permit No.: T173-6885-00001

Months:_____to_____Year: _____

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

NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.

THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD

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

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

Page 2 of 2

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

Form Completed By: ____________________________________

Title/Position: ____________________________________

Date: ____________________________________

Telephone: ____________________________________

Attach a signed certification to complete this report.

Indiana Department of Environmental Management
Office of Air Quality

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

Source Background and Description

Source Name:	Southern Indiana Gas and Electric Company (SIGECO)
Source Location:	F.B. Culley Generating Station, 3711 Darlington Road, Newburgh, Indiana 47630
County:	Warrick
SIC Code:	4911
Operation Permit No.:	T173-6885-00001
Permit Reviewer:	ERG/AO and ERG/YC

On October 14, 2004, the Office of Air Quality (OAQ) had a notice published in the Booneville Standard of Yankeetown, Indiana, stating that Southern Indiana Gas and Electric Company (SIGECO) had applied for a Part 70 Operating Permit to operate a stationary electric utility generation station. The notice also stated that OAQ proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed.

On November 12, 2004, Anthony C. Sullivan, on behalf of SIGECO, submitted comments on the proposed Part 70 permit. Additional comments were submitted by the Permittee on March 18, 2005. The summary of the comments and any changes made as a result of the comments follows. New text is shown in bold font and deleted text is shown in strikeout font.

Comment 1:

Conditions A.2(d)(9), (10), (11), (20), (21), and (22)-Emission Units and Pollution Control Equipment Summary.

These permit descriptions include a reference to enclosed "powerhouses." There are no powerhouses in these areas. The term "powerhouse" should be replaced (with the term "pulverizer"). This change should also be made in the identical "D" section descriptions.

Response to Comment 1:

The following changes have been made as a result of these comments:

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

...

(d) Coal storage and handling operations, identified as Unit 5F, constructed in 1954, expanded in 1963 and 1970, and modified in 1994, consisting of the following activities:

...

(9) Units 1 and 2 ~~powerhouse~~ **pulverizer** coal tripper conveyor, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(10) Units 1 and 2 ~~powerhouse~~ **pulverizer** coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(11) Units 1 and 2 ~~powerhouse~~ **pulverizer** coal bunkers, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

...

(20) Unit 3 ~~powerhouse~~ **pulverizer** coal tripper conveyor, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(21) Unit 3 ~~powerhouse~~ **pulverizer** coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(22) Unit 3 ~~powerhouse~~ **pulverizer** coal bunker, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

. . .

SECTION D.4 FACILITY OPERATION CONDITIONS

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

(d) Coal storage and handling operations, identified as Unit 5F, constructed in 1954, expanded in 1963 and 1970, and modified in 1994, consisting of the following activities:
...

(9) Units 1 and 2 ~~powerhouse~~ **pulverizer** coal tripper conveyor, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(10) Units 1 and 2 ~~powerhouse~~ **pulverizer** coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(11) Units 1 and 2 ~~powerhouse~~ **pulverizer** coal bunkers, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

...

(20) Unit 3 ~~powerhouse~~ **pulverizer** coal tripper conveyor, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(21) Unit 3 ~~powerhouse~~ **pulverizer** coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(22) Unit 3 ~~powerhouse~~ **pulverizer** coal bunker, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

Comment 2:

Condition B.10 - Preventative Maintenance Plan.

IDEM has no statutory basis for this requirement and is without authority to impose a Preventative Maintenance Plan ("PMP"). IDEM cites 326 IAC 1-6 as authority for imposition of a PMP on this facility. This regulation applies only to facilities required to be permitted under 326 IAC 2-5.1 (new source construction) or 6.1 (minor source operating permit), both of which excludes from coverage facilities required to have a Part 70 operating permit. As such, neither regulation requires that this facility have a permit thereunder, and 326 IAC 1-6 does not require that Culley units have PMPs. All references to PMPs should be stricken from the permit.

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

If this condition is retained in the permit, IDEM should remove the clause under B.10(b) which states "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" because that clause is not authorized by regulation.

In addition, Condition B.10(a)(1), which states "Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices," should be modified to allow positions to be identified, instead of mandating individuals, since individuals and responsibilities will change and will vary according to work schedule.

The Permittee also requested the inspection requirements in Conditions D.1.6(b), D.2.6(b), and D.3.7(b) be removed (see Comment 11).

Response to Comment 2:

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

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

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

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

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

Upon further review, IDEM has determined that it is not necessary to include a condition requiring a preventive maintenance plan in each individual Section D of the permit. Rather, a general condition will be placed in Section B of the permit, which will apply to the entire source. IDEM has determined that it is the Permittee's responsibility to include routine control device inspection requirements in the applicable preventive maintenance plan. Since the Permittee is in the best position to determine the appropriate frequency of control device inspections and the details regarding which components of the control device should be inspected, the conditions requiring control device inspections have been removed from the permit. Therefore, the Preventive Maintenance Plan and inspection requirements in Conditions D.1.6, D.2.6, D.3.7, D.4.3, D.5.3, D.6.4, and D.7.4, and the corresponding recordkeeping requirements have been removed from the permit.

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

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

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

(1) Identification of the **official title and position of the** individual(s) responsible for inspecting, maintaining, and repairing emission control devices;

. . .

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

(~~c~~**b**) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The ~~submittal of the~~ PMP**s** ~~and the PMP extension notification~~ do~~es~~ 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 63 to have an Operation, Maintenance, and Monitoring (OMM) Plan for a unit, such Plan is deemed to satisfy the PMP requirements of 326 IAC 1-6-3 for that unit.

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

. . .

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(J) Vibrator air pressure settings.

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

D.2.6 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

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

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

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

(2) ESP TR set components, performed whenever there is an outage of any nature lasting more than three days, unless such inspections have been performed

within the last six months. At a minimum, the following inspections shall be performed:

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

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

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

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

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

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

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

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

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

(J) Vibrator air pressure settings.

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

D.3.7 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

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

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

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

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

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

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

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

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

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

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

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

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

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

(J) Vibrator air pressure settings.

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

D.4.3 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.5.3 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.

D.6.4 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

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

D.7.4 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

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

Comment 3:

Condition B.24 - Credible Evidence.

This condition purports to establish an evidentiary rule that allows "credible evidence" to be used to determine compliance with applicable regulations. It is inappropriate to include an evidentiary rule in a Title V permit. It is not an "applicable requirement" that is to be complied with by SIGECO. This condition is not contained in or authorized by any Indiana regulation or statute. Accordingly, this condition should be deleted.

Response to Comment 3:

In accordance with the credible evidence rule (62 Fed. Reg. 8314, Feb 24, 1997); Section 113(a) of the Clean Air Act, 42 U.S. C. § 7413 (a); and a letter from the United States Environmental Protection Agency (USEPA) to IDEM, OAQ dated May, 18 2004, all permits must address the use of credible evidence. Indiana has incorporated the credible evidence provision in 326 IAC 1-1-6. This rule became effective March 16, 2005 and is incorporated into this permit as follows:

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

~~Notwithstanding the conditions of this permit that state specific methods that may be used to demonstrate compliance with, or a violation of, applicable requirements, any person (including the Permittee) may also use other credible evidence to demonstrate compliance with, or a violation of, any term or condition of this permit.~~ **For the purpose of submitting compliance certifications or establishing whether or not the Permittee has violated or is in violation of any condition of this permit, nothing in this permit shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether the Permittee would have been in compliance with the condition of this permit if the appropriate performance or compliance test or procedure had been performed.**

Comment 4:

Condition C.2 - Opacity.

This condition imposes opacity limits on SIGECO's operations. IDEM has recognized that utility boilers cannot achieve compliance with this opacity standard 100% of the time and has historically allowed exceedance levels in the 1-3% range when a source monitors their emissions continuously. However, no such exemption level is contained in this permit even though the applicable requirement is the same and the source is the same. In effect, this condition ratchets the limit down without any regulatory authority. To impose these requirements without the historically-accepted exemption level is improper.

Response to Comment 4:

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. Therefore, the permit will not include the suggested blanket exemption for exceeding the opacity limit up to 3% of the boiler operating time. No changes were made to the permit as a result of this comment.

Comment 5:

Condition C.13 - Maintenance of Continuous Opacity Monitoring Equipment.

This condition requires the installation and operation of continuous opacity monitors as provided in 326 IAC 3-5 and 2-7-5(3)(A). The Title V permit program requires imposition of the "minimum" monitoring requirements set forth by law. As such, the requirements of 326 IAC 2-7-5(3) are completely satisfied by use of COMS. Nothing in the regulatory scheme requires redundant monitoring systems or methods. There is no applicable requirement in any statute, rule, or permit calling for Method 9 readings at facilities required to operate COMS. Therefore, subsection (d) should be deleted. In addition, this condition makes it a violation of the permit for failure to take response steps upon observation of an abnormal emission. The term "abnormal emission" is not defined and is so ambiguous as to make this provision unenforceable by law.

Response to Comment 5:

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

IDEM has determined that no additional monitoring will be required during COM downtime, until the COM has been down for twenty-four (24) hours. This allows the Permittee to focus on the task of repairing the COM during the first twenty-four (24) hour period. After twenty-four (24) hours of COM downtime, the Permittee will be required to conduct Method 9 readings for thirty (30) minutes. Once Method 9 readings are required to be performed, the readings should be performed twice per day at least 4 hours apart, until the COMS is back in service. Therefore, Condition C.13, D.1.16(a), D.2.18(a), and D.3.19(a) have been revised as follow:

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

(a) The Permittee shall calibrate, maintain, and operate all necessary continuous opacity monitoring systems (COMS) and related equipment. For a boiler, the COM**S** shall be in operation at all times that the induced draft fan is in operation.

(b) All ~~continuous opacity monitoring systems~~ **COMS** shall meet the performance specifications of 40 CFR 60, Appendix B, Performance Specification No. 1, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5.

(c) In the event that a breakdown of a ~~continuous opacity monitoring system~~ **COMS** occurs, a record shall be made of the time and reason of the breakdown and efforts made to correct the problem.

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

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

~~(A) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.~~

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

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

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

(~~A~~**1**) Visible emission readings shall be performed in accordance with 40 CFR 60, Appendix A, Method 9, for a minimum of five (5) consecutive six (6) minute averaging periods beginning not more than twenty-four (24) hours after the start of the malfunction or down time.

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

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

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

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

. . .

D.1.~~16~~**13** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.1.2, D.1.3, D.1.~~13~~**10**, and D.1.~~14~~**11**, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Conditions D.1.2 and D.1.3.

. . .

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

. . .

D.2.~~18~~**14** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.2.2, D.2.3, D.2.~~15~~**11**, and D.2.~~16~~**12**, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Conditions D.2.2 and D.2.3.

. . .

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

D.3.~~19~~**15** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Conditions D.3.3, D.3.~~11~~**9** and D.3.~~17~~**13**, the Permittee shall maintain records in accordance with (1) through (4) below. Records shall be complete and sufficient to establish compliance with the limits established in Section C - Opacity and in Condition D.3.3.

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

Comment 6:

Condition C.15 - Pressure Gauge and Other Instrument Specifications.

This condition should be removed. IDEM is not authorized to impose these requirements, and IDEM is not in the business of setting instrument specifications.

Response to Comment 6:

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

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

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

(a) ~~Whenever a condition in this permit requires the measurement of pressure drop across any part of the unit or its control device, the gauge employed~~ **When required by any condition of this permit, an analog instrument used to measure a parameter related to the operation of an air pollution control device** shall have a scale such that the

expected ~~normal~~ **maximum** reading **from 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, 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 **the** ~~pressure drop or other~~ parameters.

Comment 7:

Condition C.18 - Compliance Response Plan.

As a legal matter, IDEM is not authorized to impose a requirement to develop and implement a compliance response plan. There is no requirement in the applicable regulations or statutes that a source develop a compliance response plan. Indeed, the term is not even defined in the regulations. The Title V program does not impose new substantive requirements, instead requiring only that all applicable requirements be consolidated into a single document - the Part 70 Operating Permit (see *New York Public Interest Research Group v. Whitman*, 321 F.3d. 316 (2d. Cir. 2003)). EPA also reinforced this limiting concept in its statement in the Federal Register with respect to Indiana's Part 70 permit program, asserting: "Applicable requirements must exist independently of title V permits ... [T]itle V authority cannot modify existing applicable requirements" (see 67 Fed. Reg. 34,844, 34,847(May 16, 2002)).

As a result, this condition, and all related references, should be deleted. If this condition is retained despite its unauthorized nature, a source should not be found in violation if it fails to follow such a plan because every eventuality cannot be predicted in advance.

In addition, SIGECO would strongly object to any restriction on when response steps can be taken, and requests a modification to Condition C.18(b)(3) to ensure that SIGECO would not be required to coordinate response steps around IDEM's schedule. SIGECO recommends that if Condition C.18 is retained, the following sentence should be added to Condition C.18(b)(3):

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

Response to Comment 7:

IDEM has reconsidered the requirement to develop and follow a Compliance Response Plan. The Permittee will still be required to take reasonable response steps when a compliance monitoring parameter is determined to be out of range or abnormal. Replacing the requirement to develop and follow a Compliance Response Plan with a requirement to take reasonable

response steps will ensure that the control equipment is returned to proper operation as soon as practicable, while still allowing the Permittee the flexibility to respond to situations that were not anticipated. Therefore, the Section D conditions that refer to this condition have been revised to reflect the new condition title, and the following changes have been made to Condition C.18:

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

~~(a) The Permittee is required to prepare a Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. If a Permittee is required to have an Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan under 40 CFR 63, such plans shall be deemed to satisfy the requirements for a CRP for those compliance monitoring conditions. A CRP shall be submitted to IDEM, OAQ upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and comprised of:~~

~~(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 8:

Condition C.19 - Actions Related to Noncompliance Demonstrated by a Stack Test.

IDEM should modify this condition to allow more flexibility. This condition specifies certain actions that should be taken when a noncompliance event is demonstrated by a stack test. In reality, negotiations occur on the spot and are developed at that time depending on the specific circumstances. The specific procedures set out in Condition C.19 interfere with the ability to make determinations on the spot and inhibit flexibility.

Condition C.19 should be modified as follows:

C.19 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5][326 IAC 2-7-6]

(a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.

(b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.

(c) 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 will agree to any such alternative procedures proposed by the Permittee so long as they are reasonable and consistent with applicable law.

(d) ~~*(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).

Response to Comment 8:

The condition as currently written provides sufficient flexibility for IDEM, OAQ and the Permittee to establish a different schedule of activities if appropriate. For example, paragraph (b) already states that the Permittee should demonstrate to IDEM, OAQ that retesting in 120 days is not practicable, IDEM, OAQ may extend the retesting deadline. No changes were made to the permit as a result of this comment.

Comment 9:

Condition C.25 - Consent Decree.

This condition requires the submission of a semi-annual progress report under the consent decree. This is not an applicable requirement, and does not need to be incorporated into this Title V permit since it is not any of the "Unit performance and other requirements under Section XVII" of the Consent Decree. Throughout the permit, various "Consent Decree" terms are incorporated. We believe that many of those terms should not be inserted into this permit, and that the only terms that should be inserted are set out in Attachment 1.

Response to Comment 9:

Pursuant to 326 IAC 2-7-6, each Part 70 permit shall include whatever requirements are necessary to ensure continuous compliance with all applicable requirements. The Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, contained a number of applicable permit requirements, including emission, control efficiency, operating, compliance demonstration, compliance monitoring, record keeping and notification requirements. IDEM believes that it is appropriate and necessary to include these requirements in the Part 70 permit. The omission of these requirements from the section titled "Unit performance and other requirements under Section XVII" in the Consent Decree does not preclude IDEM's authority and obligation to incorporate them into the Part 70 permit.

For clarification purposes, the rule citation for compliance schedule (326 IAC 2-7-6(3)) has been added to Condition C.25 to indicate the authority of this requirement. Therefore, Condition C.25 has been revised as follows:

C.25 Consent Decree **[326 IAC 2-7-6(3)]**

. . .

Comment 10:

Conditions D.1.2, D.2.2, and D.3.2 - Particulate Emission Limitations for Sources of Indirect Heating.

These limits are all wrong. Regarding Units 1 and 2, SIGECO filed a request for recalculation on September 23, 1997, and a request for reallocation. The calculated emission limits are 0.47354 lbs/MMBtu, and IDEM agreed in a letter dated December 21, 1998 to reallocate that emission rate among the units, allocating an emission limit of 0.65 lbs/MMBtu to Unit 1 and 0.38 lbs/MMBtu to Unit 2. Therefore, the correct emission limits for Units 1 and 2 are 0.65 lbs/MMBtu and 0.38 lbs/MMBtu, respectively. The correct emission limit for Unit 3 is 0.323 lbs/MMBtu.

Response to Comment 10:

Pursuant to 326 IAC 6-2-3(b), the allowable particulate emission rates pursuant to 326 IAC 6-2-3 may be reallocated in any way among subject facilities provided that the reallocated limits do not result in a significant air quality impact or exceed the sum of the limits calculated using 326 IAC 6-2-3(a). The sum of the reallocated limits requested by SIGECO is 1.35 lb/MMBtu (0.65 + 0.38 + 0.32); less than the sum of the individual allowable emission rates calculated by 326 IAC 6-3-2. In addition, each reallocated emission rate is less than the existing emission rate for the respective unit so air quality impacts will not result from the reallocation. Therefore, IDEM agreed to the requested reallocation of allowable PM emission rates pursuant to 326 IAC 6-2-3(b). The following changes have been made in response to this comment:

D.1.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3**(b)** ~~(d)~~, the particulate **matter (PM)** emissions from Unit 1 shall not exceed ~~0.8~~ **0.65** pounds per MMBtu heat input.

D.2.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3**(b)**, the particulate matter (PM) emissions from Unit 2 shall not exceed ~~the~~ **0.38** pound**s** per million Btu **heat input.** ~~limit calculated using the following equation:~~

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

~~Where C = 50 u/m3~~
~~Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)~~
~~Q = total source maximum operating capacity rating (Q = 1508 MMBtu/hr)~~
~~N = number of stacks (N = 1)~~
~~a = plume rise factor (a = 0.8)~~
~~h = stack height (h (stack 2) = 276 ft; stack 3 = 499ft)~~

~~Pt is equal to 0.6 lb/MMBtu for Unit 2 when exhausting to the bypass stack 2. Pt is equal to 1.08 lb/MMBtu for Unit 2 when exhausting to the main stack 3. However, pursuant to 326 IAC 6-2-3(d), particulate emissions shall in no case exceed 0.8 lb per MMBtu. Therefore, the particulate matter emissions from Unit 2 shall not exceed 0.6 lb per MMBtu when exhausting to bypass stack 2, and shall not exceed 0.8 lb/MMBtu when exhausting to main stack 3.~~

D.3.2 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-3]

Pursuant to 326 IAC 6-2-3**(b)**, the particulate matter (PM) emissions from Unit 3 shall not exceed ~~the~~ **0.32** pound**s** per million Btu **heat input.** ~~limit calculated using the following equation:~~

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

~~Where C = 50 u/m3~~
~~Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)~~
~~Q = total source maximum operating capacity rating (Q = 4197 MMBtu/hr)~~
~~N = number of stacks (N = 1)~~
~~a = plume rise factor (a = 0.8)~~
~~h = stack height (h = 499 ft)~~

~~Pt is equal to 0.5 lb/MMBtu for Unit 3. Therefore, the particulate matter emissions from Unit 3 shall not exceed 0.5 lb per MMBtu.~~

Comment 11:

Conditions D.1.6, D.2.6, and D.3.7 - Preventive Maintenance Plan.

IDEM should modify these conditions in several respects as discussed below. Several reasons support this request.

First, there is no direct statutory or regulatory authority, state or federal, for the preventive maintenance plan requirement at all. The preventive maintenance plan requirement arises out of 326 IAC 1-6-1 *et seq.* That rule "applies to the owner or operator of any facility required to obtain a permit under 326 IAC 2-5.1 or 326 IAC 2-6.1" (see 326 IAC 1-6-1). 326 IAC 2-5.1 applies to construction of "new sources" built after late 1998 and exempts "existing sources" operating pursuant to a permit issued under 326 IAC 2-6.1 or 2-7 (see 326 IAC 2-5.1-1(2)). So, it does not apply to these units. 326 IAC 2-6.1 (Minor Source Operating Program) applies to sources in existence before December 25, 1998, that meet an applicability criterion in 326 IAC 2-5.1-3(a), "[e]xcept for sources required to have a Part 70 permit as described in 326 IAC 2-7-2…." 326 IAC 2-6.1-2. Thus, it does not apply to these units either.

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

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

If these conditions are retained in the permit, IDEM should remove sections D.1.6(b), D.2.6(b), and D.3.7(b), since those actions are to be determined by the Permittee, not IDEM, and should clarify that any PMP requirement would only apply to emission control devices, not emission units. These conditions, if retained, should be modified as follows:

D.1.6, D.2.6, and D.3.7 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

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

If subsection (b) is retained, the requirement that an inspection be made if there has not been one in six months is onerous. This is more workable with a 12 month lapse since the last inspection.

Response to Comment 11:

As previously discussed in the response to Comment 2, 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, Conditions D.1.6, D.2.6, and D.3.7 have been removed from the permit.

Comment 12:

Condition D.1.13, D.2.15, and D.3.16 - Electrostatic Precipitator (ESP) Monitoring.

These conditions are not authorized and should be removed. In addition, these provisions are evidently not intended for plants of SIGECO's size. The units have only three, four, and eighteen T-R sets, respectively. These conditions would leave 66%, 75% and 75% of capacity. The units would at that level still meet opacity compliance. Even if these conditions are retained, a threshold of ninety percent should not be applicable for these units.

Response to Comment 12:

The ESPs controlling the boilers must operate properly at all times to assure that the boilers maintain continuous compliance with all applicable requirements. In order to assure proper operation of the ESPs, IDEM has included permit conditions requiring the Permittee to monitor the performance of the ESPs by regularly monitoring certain ESP operating parameters. IDEM has the authority to require such monitoring pursuant to 326 IAC 2-7-5(1) and 326 IAC 2-7-6(1). These rules are cited in the title of the compliance monitoring section of the permit.

The draft condition required the Permittee to take response steps when the percentage of T-R sets in service falls below 90%. During normal operations at this plant, all T-R sets are in service. Since the stack testing demonstrated compliance with the PM emission and opacity limits, it is appropriate for the Permittee to take response steps whenever any of the T-R set is not in service. The Permittee did not provide testing data to demonstrate compliance with the PM emission and opacity limits when a T-R set is out of service. Failure to take response steps will be considered a deviation from the permit.

IDEM has determined that once per day (rather than once per shift) monitoring of the control device is generally sufficient to ensure proper operation of the control device. IDEM has also determined that monitoring these parameters once per day is sufficient to satisfy the requirements of the Part 70 rules at 326 IAC 2-7-5 and 326 IAC 2-7-6. Therefore, Conditions D.1.13, D.2.15, and D.3.16 have been revised as follows:

D.1.~~13~~**10** Electrostatic Precipitator (ESP) Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The ability of the ESP to control particulate emissions shall be monitored once per ~~shift~~ **day**, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the ~~transformer-rectifier (~~T-R~~)~~ sets.

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

D.2.~~15~~**11** Electrostatic Precipitator (ESP) Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The ability of the ESP to control particulate emissions shall be monitored once per ~~shift~~ **day**, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the ~~transformer-rectifier (~~T-R~~)~~ sets.

(b) Reasonable response steps shall be taken in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to**

Excursions or Exceedances whenever the percentage of T-R sets in service falls below 90 percent (90%). T-R set failure resulting in less than 90 percent (90%) availability is not a deviation from this permit. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

D.3.~~16~~**13** Electrostatic Precipitator (ESP) Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) The ability of the ESP to control particulate emissions shall be monitored once per ~~shift~~ **day**, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the ~~transformer-rectifier (~~T-R~~)~~ sets.

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

Comment 13:

Condition D.1.14(a)(b) - Opacity Readings.

This provision contains a reference to a 35% opacity limit. The opacity limit for this unit is set by the SIP as 40%. There is no supporting regulation to establish a secondary limit.

Response to Comment 13:

The condition does not establish an opacity limit that is more stringent than the opacity limits established by 326 IAC 5-1. Rather, the condition requires the Permittee to take response steps when the opacity is above the level indicative of normal operating conditions. During normal operations opacity from the boiler is significantly less than thirty-five (35) percent, as evidenced by the results of IDEM-approved stack testing. Since the stack testing demonstrated compliance with the PM emission limits when opacity levels were well below the opacity limits, it is appropriate for the Permittee to take response steps when the observed opacity is significantly above the levels demonstrated during a compliant stack test. An opacity reading that is in compliance with 326 IAC 5-1, but above the level of normal operating conditions, requires a response step, but is not considered a violation. It is a deviation from the permit conditions if the Permittee fails to take any response steps. IDEM has the authority to require such monitoring pursuant to 326 IAC 2-7-5(1) and 326 IAC 2-7-6(1).

Upon further review, IDEM, OAQ has added a new paragraph to this condition that clarifies how the Permittee can apply for a revision to the trigger level. Therefore, Conditions D.1.14, D.2.16, and D.3.11 have been revised as follows:

D.1.~~14~~**11** Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) In the event of opacity from Unit 1 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 returned to service.

(b) Opacity readings in excess of thirty-five percent (35%) but not exceeding the opacity limit for Unit 1 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.

D.2.~~16~~**12** Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) In the event of opacity from Unit 2 exceeding thirty percent (30%) average opacity for three (3) consecutive six (6) minute averaging periods, appropriate response steps shall be taken in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances** such that the cause(s) of the excursion are identified and corrected and opacity levels are brought back below thirty percent (30%). Examples of expected response steps include, but are not limited to, boiler loads being reduced, adjustment of flue gas conditioning rate, and ESP T-R sets being returned to service.

(b) Opacity readings in excess of thirty percent (30%) but not exceeding the opacity limit for Unit 2 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.

D.3.~~11~~**9** Opacity Readings [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

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

(b) Opacity readings in excess of thirty percent (30%) but not exceeding the opacity limit for the unit are not a deviation from this permit. Failure to take response steps in

accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

(c) The Permittee may request that the IDEM, OAQ approve a different opacity trigger level than the one specified in (a) and (b) of this condition, provided the Permittee can demonstrate, through stack testing or other appropriate means, that a different opacity trigger level is appropriate for monitoring compliance with the applicable particulate matter mass emission limits.

Comment 14:

Condition D.1.15 - SO_2 Monitoring System Downtime.

This condition is not authorized and should be removed. If it is retained, the data substitution requirement should be to follow the acid rain requirements under 40 CFR Part 75; not to create a new set of requirements.

In addition, any requirement to take samples "after the bunker" should be removed because SIGECO already takes samples "as bunkered," and such samples should be sufficient for these purposes.

Response to Comment 14:

The Permittee is required to certify continuous compliance with all conditions of the permit. The Permittee must have sufficient information available in order to be able to certify continuous compliance. If the CEMS fails and the Permittee does not perform any supplemental monitoring during the period of time when the CEMS is not operating, there will not be sufficient information available for the Permittee to be able to certify continuous compliance during that time period. Therefore, the permit must include a requirement to perform supplemental monitoring whenever the CEMS is not in operation and the emission unit is in operation. In addition, IDEM has determined that for SO_2 emissions, which are prone to variability based on coal sulfur values, the Part 75 data substitution procedures may not be representative to show compliance with a short term limit when the CEMS is down for a long period of time. Therefore, Part 75 data substitution cannot be used to demonstrate compliance with 326 IAC 7-4-12 for coal boilers.

IDEM has determined that when the SO_2 CEMS is down, the Permittee will not be required to perform any additional monitoring until the CEMS has been down for at least twenty-four (24) hours. This allows the Permittee to focus on the task of repairing the CEMS during the first twenty-four (24) hour period. After twenty-four (24) hours of CEMS downtime, the Permittee will be required to begin performing parametric monitoring in order to demonstrate compliance with the applicable SO_2 emission limits.

Condition D.1.15 (now D.1.12) requires that fuel sampling be performed as specified in 326 IAC 3-7-2(a) or (b). Since 326 IAC 3-7-2(b) requires the coal sampling be performed as bunkered, the Permittee shall collect the coal sample as bunkered and language related to "after bunker" requirements has been removed.

Therefore, Conditions D.1.15, D.2.17, and D.3.18 have been revise as follows:

D.1.~~15~~**12** SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the SO_2 continuous emission monitoring ~~(CEM)~~ system **(CEMS)** is malfunctioning or down for repairs or adjustments, the following shall be used to provide information related to SO_2 emissions:

(a) If the CEM**S** ~~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.

(b) If the CEM**S** ~~system~~ is down for ~~eight (8)~~ **twenty-four (24)** hours or more, fuel sampling shall be conducted as specified in 326 IAC 3-7-2(a) or (b~~), except that all samples shall be collected after the bunker~~. Fuel sample preparation and analysis shall be conducted as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e). Pursuant to 326 IAC 3-7-3, manual or other non-ASTM automatic sampling and analysis procedures may be used upon a demonstration, submitted to the department for approval, that such procedures provide sulfur dioxide emission estimates representative either of estimates based on coal sampling and analysis procedures specified in 326 IAC 3-7-2 or of continuous emissions monitoring.

D.2.~~17~~**13** SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

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

D.3.~~18~~**14** SO_2 Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

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

Comment 15:

Conditions D.2.13 and D.3.17 - Scrubber Inspections.

IDEM should modify these conditions in several respects as discussed below. Several reasons support this request. First, it is not within IDEM's authority for it to impose inspection requirements on the companies. On the contrary, the preventive maintenance plan regulations state that the "*person responsible* for operating [the subject facility] shall prepare and maintain a preventive maintenance plan." It is the source, not the regulatory agency, that is obligated to develop any necessary plans. SIGECO objects to the permit's prescriptive requirements such as timeframes in which to conduct inspections. Essentially, IDEM is assuming control of these plans which is not within the scope of the regulations or within its authority.

In addition, if these conditions are retained in the permit, the word "replaced" in the second and third sentences of subsection (a) should be modified to read "replaced or repaired." Defective

parts need not be replaced if they can be repaired.

Second, subsection (b) is inappropriate in any context. It is not reasonable to require inspections for any outage lasting three days or more. All portions of these conditions should be deleted, but especially subsection (b).

Response to Comment 15:

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, Conditions D.2.13, D.3.17, D.4.7 and D.6.9 which require control device inspections have been removed from the permit. In addition, the corresponding recordkeeping requirements have also been removed from the permit.

~~D.2.13 Scrubber Inspections [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]~~

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

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

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

~~D.3.17 Scrubber Inspections [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]~~

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

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

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

~~D.4.7 Baghouse Inspections [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]~~

~~(a) An inspection shall be performed each calendar quarter of all bags controlling particulate emissions from the coal processing or conveying. Inspections required by this condition shall not be performed in consecutive months. All defective bags shall be replaced.~~

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

~~D.6.9 Baghouse Inspections [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]~~

~~(a) An inspection shall be performed each calendar quarter of all bags controlling particulate emissions from the gypsum and limestone handling facilities of Unit 7 and Unit 8. Inspections required by this condition shall not be performed in consecutive months. All defective bags shall be replaced.~~

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

Comment 16:

Condition D.2.16 - Opacity Readings.

This provision contains a reference to a 30% opacity limit. This unit opacity limit is set by the SIP as 40%. There is no supporting regulation to establish a secondary opacity limit. For consistency, if this section remains, it should be revised to match the section for Unit 1 and use 35% as the threshold limit.

Response to Comment 16:

See the response to Comment 13.

Comment 17:

Condition D.3.11(a)(b) - Opacity Readings.

This provision contains a reference to a 30% opacity limit. The opacity limit for this unit is set by the SIP as 40%. There is no supporting regulation to establish a secondary opacity limit for this unit. For consistency, if this section remains, it should match the section for Unit 1 and use 35% as the threshold limit.

Response to Comment 17:

See the response to Comment 13.

Comment 18:

Conditions D.4.2, D.5.2, and D.7.3 - Fugitive Dust Emission Limitations.

These conditions should be removed because 326 IAC 6-4 applies to "sources," not individual

"facilities." In addition, this situation is already covered by Condition C.5, which addresses the entire source.

Response to Comment 18:

The requirements of 326 IAC 6-4 (Fugitive Dust Emissions) apply to any emission units which generate fugitive dust. Therefore, the requirements in 326 IAC 6-4 do apply to any coal storage and handling operation, ash storage area, fly ash handling area, and FGD system activities at this source. IDEM has revised Condition C.5 to include the requirements in Conditions D.4.2, D.5.2, and D.7.3. Conditions D.4.2, D.5.2, and D.7.3 have been removed from the permit and Condition C.5 has been revised as follows:

C.5 Fugitive Dust Emissions [326 IAC 6-4]

(a) 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.

(b) Any emission units generating fugitive dust shall be in violation of this rule (326 IAC 6-4) if any of the following criteria are violated:

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

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

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

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

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

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

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

(4) If fugitive dust is visible crossing the boundary or property line of a source.

This subdivision may be refuted by factual data expressed in subdivisions (1), (2) or (3) of this section. 326 IAC 6-4-2(4) is not federally enforceable.

(c) 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.

~~D.4.2 Fugitive Dust Emission Limitations [326 IAC 6-4-2]~~

~~(a) Any coal storage and handling operation 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.~~

~~D.5.2 Fugitive Dust Emission Limitations [326 IAC 6-4-2]~~

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

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

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

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

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

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

Where:
N = Fraction of fugitive dust that is respirable dust;
P_R = Allowable percentage increase in dust concentration above background; 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.

D.7.3 Fugitive Dust Emission Limitations [326 IAC 6-4-2]

Pursuant to 326 IAC 6-4-2:

(a) Any FGD system activities 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.~~

Comment 19:

Conditions D.4.3, D.5.3, D.6.4, and D.7.4 - Preventive Maintenance Plan.

IDEM should modify these conditions in several respects as discussed below. Several reasons support this request. First, there is no direct statutory or regulatory authority, state or federal, for the preventive maintenance plan requirement. The preventive maintenance plan requirement arises out of 326 IAC 1-6-1 et seq. That rule "applies to the owner or operator of any facility required to obtain a permit under 326 IAC 2-5.1 or 326 IAC 2-6.1" (see 326 IAC 1-6-1). 326 IAC 2-5.1 applies to construction of "new sources" built after late 1998 and exempts "existing sources" operating pursuant to a permit issued under 326 IAC 2-6.1 or 2-7 (see 326 IAC 2-5.1-1(2)). So, it does not apply to these units. 326 IAC 2-6.1 (Minor Source Operating Program) applies to sources in existence before December 25, 1998, that meet an applicability criterion in 326 IAC 2-5.1-3(a), "[e]xcept for sources required to have a Part 70 permit as described in 326 IAC 2-7-2…." 326 IAC 2-6.1-2. Thus, it does not apply to these units either.

Second, even if a PMP were required, it has never been the intent or the practice for the

preventive maintenance requirements to apply to emission units - it is the intent of the rule to only apply to control devices. This is why the first section of 326 IAC 1-6-3 refers explicitly to "emission control devices."

If these conditions are retained in the permit, they should be modified as follows:

D.4.3, D.5.3, D.6.4, and D.7.4 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

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

Response to Comment 19:

These conditions have been removed as the result of Comment 2. See the response to Comment 2 for further details.

Comment 20:

Conditions D.4.5 - Visible Emission Notations, D.4.6 - Baghouse Parametric Monitoring, D.4.7 - Baghouse Inspections, and D.4.8 - Broken or Failed Bag Detection.

All of these conditions should be deleted because they are not authorized by any regulation. If they are retained, several changes should be made.

First, SIGECO would propose that this entire set of requirements be replaced with a quarterly inspection requirement. SIGECO hires an outside firm to perform these inspections, and this practice would ensure that the bagfilters are operated properly.

Second, the monitoring frequency under Conditions D.4.5 and D.4.6 should be changed to weekly, rather than once per shift. Once per shift is an excessive frequency and makes no sense because the operation is not performed once per shift.

Response to Comment 20:

The baghouse inspection requirement in Condition D.4.7 has been removed (see response to Comment 15).

Upon further review, IDEM has determined that once per week monitoring of the visible emission notations for the coal handling operations is generally sufficient to ensure proper operation of the control device. IDEM has also determined that monitoring the operating parameters for the control devices once per week 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.4.4 (now Condition D.4.2) - Particulate Control, has been revised to require the Permittee to notify IDEM if a broken bag is detected and the control device will not be repaired for more than ten (10) days. This notification allows IDEM to take any appropriate actions if the emission unit will continue to operate for a long period of time while the control device is not operating in optimum condition.

Condition D.4.8 - Broken or Failed Bag Detection has been revised for 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.

Therefore, Conditions D.4.4, D.4.5, D.4.6, and D.4.8 have been revised as follows to reflect the above changes:

D.4.~~4~~**2** Particulate Control [326 IAC 2-7-6(6)]

(a) Except as otherwise provided by statute or rule or in this permit, in order to comply with Condition D.4.1 the enclosures and baghouses for particulate control shall be in place and operate at all times the associated coal handling facilities are in operation.

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

D.4.~~5~~**3** Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of stack 8 exhaust, coal storage piles and the coal transfer points shall be performed once per ~~shift~~ **week** during normal daylight operations when transferring coal. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**. Observation of abnormal emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

. . .

D.4.~~6~~**4** Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

The Permittee shall record the ~~total static~~ pressure drop across the baghouse exhausting to stack 8 at least once per ~~shift~~ **week**. When for any one reading, the pressure drop across the baghouse is outside the normal range of 5.0 and 12.0 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.

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.~~8~~**5** 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 **a** single compartment baghouse~~s~~ **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 unit~~s~~ and the associated process ~~will~~ **shall** be shut down immediately until the failed unit~~s have~~ **has** been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

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

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

Comment 21:

Conditions D.5.4 and D.7.6 - Visible Emission Notations.
These conditions are not authorized by regulation and should be deleted. If retained, the frequency should be changed to once per week, not once per day or shift.

Response to Comment 21:

326 IAC 2-7-5(1) and 326 IAC 2-7-6(1) provide IDEM the authority to require compliance monitoring conditions as necessary to assure continuous compliance with the emission limits. These rule citations are included as part of the title of the compliance monitoring section of the permit. The visible emission notations required by Condition D.5.4 (now Condition D.5.2) are used to indicate compliance with 326 IAC 5-1 and the particulate matter limits pursuant to 326 IAC 6-3-2. Since process upset can occur suddenly and without warning, possibly causing a violation of 326 IAC 5-1 or 326 IAC 6-3-2, IDEM believes that daily visible notations for the fly ash handling facility are necessary for the Permittee to certify continuous compliance.

IDEM has determined that once per day visible emission notations is generally sufficient to ensure proper operation of the fly ash handling operation and once per week visible emission notations is generally sufficient to ensure proper operation for the limestone unloading operation. Therefore, Conditions D.5.4 and D.7.6 have been revised as follows:

D.5.~~4~~**2** Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the East Ash Pond and fly ash silo truck loadout station shall be performed at least once per day during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

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

(c) 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, Record, and Reports~~ **Response to Excursions or Exceedances**. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Record, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

(d) If abnormal visible emissions of ash are observed from the ash storage pond area and fly ash silo truck loadout station, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Record, 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, Record, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

. . .

D.7.~~6~~**4** Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) Visible emission notations of the exhaust from all limestone transfer points shall be performed once per ~~shift~~ **week** during normal daylight when transferring the respective material. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal visible emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**. Observation of 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.

. . .

Comment 22:

Conditions D.6.7 - Visible Emission Notations, D.6.8 - Baghouse Parametric Monitoring, D.6.9 - Baghouse Inspections, and D.6.10 - Broken or Failed Bag Detection.

All of these conditions should be deleted because they are not authorized by any regulation. If they are retained, several changes should be made. First, SIGECO proposes that this entire set of requirements be replaced with a quarterly inspection requirement. SIGECO hires an outside

firm to perform these inspections, and this practice would ensure that the bagfilters are operated properly.

Second, the monitoring frequency under Conditions D.6.7 and D.6.8 should be changed to weekly, rather than once per shift. Once per shift is an excessive frequency and makes no sense because the operation is not performed once per shift.

Response to Comment 22:

The baghouse inspection requirement in Condition D.6.9 has been removed (see response to Comment 15).

Upon further review, IDEM has determined that once per week monitoring of the visible emission notations for the limestone and gypsum handling operations is generally sufficient to ensure proper operation of the control device. IDEM has also determined that monitoring the operating parameters for the control devices for the limestone and gypsum handling facilities once per week 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.6.6 - Particulate Control, has been revised to require the Permittee to notify IDEM if a broken bag is detected and the control device will not be repaired for more than ten (10) days. This notification allows IDEM to take any appropriate actions if the emission unit will continue to operate for a long period of time while the control device is not operating in optimum condition.

Condition D.6.8 - Broken or Failed Bag Detection has been revised for 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.

Therefore, Conditions D.6.6, D.6.7, D.6.8, D.6.10, D.6.11(a), and D.6.11(b) have been revised as follows:

D.6.~~6~~**5** Particulate Control [326 IAC 2-7-6(6)]

(a) Except as otherwise provided by statute ~~or~~ rule or ~~in~~ this permit, in order to comply with Condition D.6.2 the fabric filters (baghouses) for particulate control shall be in operation and control emissions at all times the associated facilities are in operation. In order to comply with Condition D.6.3, the conveyors shall remain covered at all times they are in operation.

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

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

(a) Visible emission notations of the fabric filters (baghouses) and enclosure stack exhausts (S4 through S15) shall be performed once per ~~shift~~ **week** during normal daylight operations when the limestone and gypsum handling facilities of Unit 7 and Unit 8 are in operation. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**. Observation of an abnormal emission that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - ~~Compliance Response Plan - Preparation, Implementation, Records, and Reports~~ **Response to Excursions or Exceedances**, shall be considered a deviation from this permit.

...

D.6.~~8~~**7** 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 of the baghouses used in conjunction with the gypsum and limestone handling facilities of Unit 7 and Unit 8 at least once per ~~shift~~ **week** when the facilities are in operation. When for any one reading, the pressure drop across the baghouse is outside the normal range of 5.0 and 12.0 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.6.~~10~~**8** 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 **a** single compartment baghouse~~s~~ **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 unit~~s~~ and the associated process ~~will~~ **shall** be shut down immediately until the failed unit~~s have~~ **has** been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

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

satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

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

D.6.~~11~~**9** Record Keeping Requirements

(a) To document compliance with Section C - Opacity and Condition D.6.~~7~~**6**, the Permittee shall maintain records of the visible emission notations once per ~~shift~~ **week**.

(b) To document compliance with Condition D.6.~~8~~**7**, the Permittee shall maintain records of the ~~total static~~ pressure drop across each baghouse once per ~~shift~~ **week.**

~~(c) To document compliance with Condition D.6.9, the Permittee shall maintain records of the results of the baghouse inspections.~~

~~(d) To document compliance with Condition D.6.4, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.~~

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

Upon further review, the OAQ has decided to make the following revisions to the permit (bolded language has been added, the language with a line through it has been deleted). The Table Of Contents has been modified, if applicable, to reflect these changes.

1. All references to 40 CFR Part 60, Subpart D need to be removed because, as stated in the Technical Support Document, the rule does not apply to the source.

D.3.~~12~~**10** Continuous Emission Monitoring [326 IAC 3-5]~~[40 CFR Part 60, Subpart D]~~[40 CFR Part 75]

(a) Pursuant to 326 IAC 3-5-1~~, 40 CFR Part 60 Subpart D,~~ and 40 CFR Part 75, the Permittee must calibrate, certify, operate and maintain a continuous emission monitoring system (CEMS) for measuring SO_2, NO_x and CO_2 emissions from Unit 3. Each CEMS must meet all applicable performance specifications of 326 IAC 3-5-2, and 40 CFR Part 75. The data from the respective CEMS will be used to determine compliance with Conditions D.3.1, D.3.4 and D.3.~~14~~**12**.

. . . .

2. The 8 hour ozone nonattainment designations in 69 FR 23858 have been incorporated in 326 IAC 1-4-1, effective December 12, 2004. Therefore, the provisions of 326 IAC 2-3 are applicable in these areas and the Nonattainnment NSR term has been removed from the permit and replaced with appropriate terminology referring to 326 IAC 2-3 as Emissions Offset. In addition, Warrick County has been classified as nonattainment for PM2.5 in 70 FR 943 dated January 5, 2005.

In addition, the correct physical address for this source is listed as below:

F.B. Culley Generating Station, 3711 Darlington Road
Newburgh, Indiana 47630

Therefore, Condition A.1 has been revised as follow and the source's address has been corrected throughput the whole permit:

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

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

Responsible Official:	Vice President - Power Supply
Source Address:	F.B. Culley **Generating** Station, ~~County Road 350W and Old Highway 66, Yankeetown,~~ **3711 Darlington Road, Newburgh,** Indiana 47630
Mailing Address:	20 Northwest Fourth Street, Evansville, Indiana 47741
Source Telephone:	(812) 464-4622
SIC Code:	4911
County Location:	Warrick
Source Location Status:	Nonattainment for **PM 2.5 and** 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, under Nonattainment NSR~~ Major Source, Section 112 of the Clean Air Act 1 of 28 Source Categories (Fossil Fuel-Fired Steam Electric Plant of more than 250 MMBtu/hr heat input)

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

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

This change has been made throughout the permit.

4. IDEM, OAQ has made the following revision to Condition B.8 to correct a grammatical error:

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

. . .

(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.

5. IDEM has decided to include the following updates to further address and clarify the permit term and the term of the conditions.

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

(a) This permit**, T173-6885-00001,** is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit or of permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

(b) If IDEM, OAQ, upon receiving a timely and complete renewal permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in

effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.

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

(a) All terms and conditions of ~~previous~~ permits **established prior to T173-6885-00001 and** issued pursuant to permitting programs approved into the state implementation plan have been either

(1) incorporated as originally stated,

(2) revised **under 326 IAC 2-7-10.5**, or

(3) deleted **under 326 IAC 2-7-10.5.**

~~by this permit.~~

(b) **Provided that all terms and conditions are accurately reflected in this permit,** ~~A~~**a**ll previous registrations and permits are superseded by this **Part 70 operating** permit, except for permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

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

. . .

(b) ~~Timely Submittal of Permit Renewal [326 IAC 2-7-4(a)(1)(D)]~~

~~(1)~~ A timely renewal application is one that is:

(~~A~~**1**) Submitted at least nine (9) months prior to the date of the expiration of this permit; and

(~~B~~**2**) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

~~(2) If IDEM, OAQ, upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.~~

(c) ~~Right to Operate After Application for Renewal [326 IAC 2-7-3] [326 IAC 2-7-4]~~
If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application.

~~(d) United States Environmental Protection Agency Authority [326 IAC 2-7-8(e)]~~

~~If IDEM, OAQ, fails to act in a timely way on a Part 70 permit renewal, the U.S. EPA may invoke its authority under Section 505(e) of the Clean Air Act to terminate or revoke and reissue a Part 70 permit.~~

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

Notwithstanding the permit term of a permit to construct, a permit to operate, or a permit modification, any condition established in a permit issued pursuant to a permitting program approved in the state implementation plan shall remain in effect until:

(a) The condition is modified in a subsequent permit action pursuant to Title I of the Clean Air Act; or

(b) The emission unit to which the condition pertains permanently ceases operation.

6. In order to reflect the NSR reform rules, Conditions B.17, C.20 and C.21 have been revised as follows:

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

. . .

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

C.21 General Record Keeping Requirements [326 IAC 2-7-5(3)][326 IAC 2-7-6]**[326 IAC 2-2]**[**326 IAC 2-3]**

. . .

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

(A) A description of the project;

(B) Identification of any emissions unit whose emissions of a regulated new source review pollutant could be affected by the project;

(C) A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including:

(i) Baseline actual emissions;

(ii) Projected actual emissions;

(iii) Amount of emissions excluded under section 326 IAC 2-2-1(rr)(2)(A)(iii) and 326 IAC 2-3-1(mm)(2)(A)(3); 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.22 General Reporting Requirements [326 IAC 2-7-5(3)(C)][326 IAC 2-1.1-11]**[326 IAC 2-2][326 IAC 2-3]**

. . .

(f) If the Permittee is required to comply with the recordkeeping provisions of (c) in Section C- General Record Keeping Requirements for any "project" (as defined in 326 IAC 2-2-1 (qq) and 326 IAC 2-3-1 (ll)) at an existing Electric Utility Steam Generating Unit, then for that project the Permittee shall:

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

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

Reports required in this part shall be submitted to:

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

(g) If the Permittee is required to comply with the recordkeeping provisions of (c) in Section C - General Record Keeping Requirements for any "project" (as defined in 326 IAC 2-2-1 (qq) and 326 IAC 2-3-1 (ll)) at an existing emissions unit other than Electric Utility Steam Generating Unit, and the project meets the following criteria, then the Permittee shall submit a report to IDEM, OAQ:

(1) The annual emissions, in tons per year, from the project identified in (c)(1) in Section C- General Record Keeping Requirements exceed the baseline actual emissions, as documented and maintained under Section C- General

Record Keeping Requirements (c)(1)(C)(i), by a significant amount, as defined in 326 IAC 2-2-1 (xx) and 326 IAC 2-3-1 (qq), for that regulated NSR pollutant, and

(2) The emissions differ from the preconstruction projection as documented and maintained under Section C- General Record Keeping Requirements (c)(1)(C)(ii).

(h) The report for project at an existing emissions unit other than Electric Utility Steam Generating Unit shall be submitted within sixty (60) days after the end of the year and contain the following:

(1) The name, address, and telephone number of the major stationary source.

(2) The annual emissions calculated in accordance with (c)(2) and (3) in Section C- General Record Keeping Requirements.

(3) The emissions calculated under the actual-to-projected actual test stated in 326 IAC 2-2-2(d)(3) and 326 IAC 2-3-2(c)(3).

(4) Any other information that the Permittee deems fit to include in this report,

Reports required in this part shall be submitted to:

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

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

7. Rule 326 IAC 2-6 was revised on December 3, 2003. This source is located in Warrick County and has potential to emit PM10 greater than 250 tons/yr. Pursuant to the revised 326 IAC 2-6-3, the Permittee shall submit an emission statement annually by July 1. Therefore, Condition C.20 has been revised to reflect the these changes.

C.20 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

(a) **Pursuant to 326 IAC 2-6-3(a)(1), t**~~T~~he Permittee shall submit **by July 1 of each year** an emission statement **covering the previous calendar year.**~~certified pursuant to the requirements of 326 IAC 2-6. This statement must be received in accordance with the compliance schedule specified in 326 IAC 2-6-3 and must comply with the minimum requirements specified in 326 IAC 2-6-4. The submittal should cover the period identified in 326 IAC 2-6.~~ 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 emission of **all pollutants listed in 326 IAC 2-6-4(a)**~~pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting)~~;

(2) Indicate estimated actual emissions of regulated pollutants (as defined by 326 IAC 2-7-1 (32) ("Regulated pollutant, which is used only for purposes of Section 19 of this rule") from the source, for purpose of fee assessment.

The statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue, ~~P.O. Box 6015~~
Indianapolis, Indiana 4620~~46~~**-2251**

The emission statement does require the certification by the responsible official as defined by 326 IAC ~~2-1.1-1(1)~~**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.

8. Sections E and F of the permit govern the Acid Rain and NOx SIP requirements. IDEM has clarified the Condition B.20 - Operational Flexibility as follows:

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

(a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b), (c), or (e), without a prior permit revision, if each of the following conditions is met:

. . .

(3) The changes do not result in emissions which exceed the ~~emissions allowable under~~ **limitations provided in** this permit (whether expressed herein as a rate of emissions or in terms of total emissions);

. . .

(5) The Permittee maintains records on-site ~~which document~~, on a rolling five (5) year basis, **which document** all such changes and emissions ~~trading~~ **trades** that are subject to 326 IAC 2-7-20(b), (c), or (e)**.** ~~and makes~~ **The Permittee shall make** such records available, upon reasonable request, for public review.

. . .

(c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade **emission** increases and decreases ~~in emissions in~~ **at** the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).

. . .

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

9. Upon further review, IDEM has determined that Conditions D.1.12, D.1.19, D.2.5, D.2.14, D.2.20, D.3.5, D.3.15, and D.3.22 do not need to be included in the permit, since they are each regulated by other agencies. Therefore, these conditions have been removed from the permit:

~~D.1.12 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. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~D.1.19 Used Oil Requirements [326 IAC 2-1.1-5(a)(4)] [40 CFR 279] [329 IAC 13]~~

~~The used oil burned in Unit 1 shall comply with the used oil requirements specified in 329 IAC 13 (Used Oil Management). Pursuant to 329 IAC 13-3-2 (Used Oil Specifications), used oil burned for energy recovery that is classified as off-specification used oil fuel shall comply with the provisions of 329 IAC 13-8 (Used Oil Burners Who Burn Off-specification Used Oil For Energy Recovery), including:~~

~~(a) Receipt of an EPA identification number as outlined in 329 IAC 13-8-3 (Notification),~~

~~(b) Compliance with the used oil storage requirements specified in 329 IAC 13-8-5 (Used Oil Storage), and~~

~~(c) Maintaining records pursuant to 329 IAC 13-8-6 (Tracking).~~

~~The burning of mixtures of used oil and hazardous waste that is regulated under 329 IAC 3.1 is prohibited at this source.~~

~~D.2.5 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]~~

~~(a) All coal burned, including coal treated with any additive, shall meet ASTM specifications for classification as coal (ASTM D388).~~

~~(b) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in these facilities without a Resource Conservation and Recovery Act (RCRA) permit. Any boiler tube chemical cleaning waste liquids evaporated in the boiler, and any binding agent or used oil combusted shall meet the toxicity characteristic requirements for non-hazardous waste. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~(c) Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall only contain the cleaning solution and no more than two full volume boiler rinses.~~

~~D.2.14 Cleaning Waste Characterization [326 IAC 2-1.1-5(a)(4)] [40 CFR 261]~~

~~The Permittee shall use appropriate methodology as identified in 40 CFR Part 261 to characterize all boiler chemical cleaning wastes that will be evaporated, to determine compliance with the Operation Standards condition in this D section. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~D.2.20 Used Oil Requirements [326 IAC 2-1.1-5(a)(4)] [40 CFR 279] [329 IAC 13]~~

~~The used oil burned in Unit 2 shall comply with the used oil requirements specified in 329 IAC 13 (Used Oil Management). Pursuant to 329 IAC 13-3-2 (Used Oil Specifications), used oil burned for energy recovery that is classified as off-specification used oil fuel shall comply with the provisions of 329 IAC 13-8 (Used Oil Burners Who Burn Off-specification Used Oil For Energy Recovery), including:~~

~~(a) Receipt of an EPA identification number as outlined in 329 IAC 13-8-3 (Notification),~~

~~(b) Compliance with the used oil storage requirements specified in 329 IAC 13-8-5 (Used Oil Storage), and~~

~~(c) Maintaining records pursuant to 329 IAC 13-8-6 (Tracking).~~

~~The burning of mixtures of used oil and hazardous waste that is regulated under 329 IAC 3.1 is prohibited at this source.~~

~~D.3.5 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]~~

~~(a) All coal burned, including coal treated with any additive, shall meet ASTM specifications for classification as coal (ASTM D388).~~

~~(b) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in these facilities without a Resource Conservation and Recovery Act (RCRA) permit. Any boiler tube chemical cleaning waste liquids evaporated in the boiler, and any binding agent or used oil combusted shall meet the toxicity characteristic requirements for non-hazardous waste. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~(c) Any boiler tube chemical cleaning waste liquids evaporated in the boiler shall only contain the cleaning solution and no more than two full volume boiler rinses.~~

~~D.3.15 Cleaning Waste Characterization [326 IAC 2-1.1-5(a)(4)] [40 CFR 261]~~

~~The Permittee shall use appropriate methodology as identified in 40 CFR Part 261 to characterize all boiler chemical cleaning wastes that will be evaporated, to determine compliance with the Operation Standards condition in this D section. These requirements are not federally enforceable pursuant to the Part 70 permit.~~

~~D.3.22 Used Oil Requirements [326 IAC 2-1.1-5(a)(4)] [40 CFR 279] [329 IAC 13]~~

~~The used oil burned in Unit 3 shall comply with the used oil requirements specified in 329 IAC 13 (Used Oil Management). Pursuant to 329 IAC 13-3-2 (Used Oil Specifications), used oil burned for energy recovery that is classified as off-specification used oil fuel shall comply with the provisions of 329 IAC 13-8 (Used Oil Burners Who Burn Off-specification Used Oil For Energy Recovery), including:~~

~~(a) Receipt of an EPA identification number as outlined in 329 IAC 13-8-3 (Notification),~~

~~(b) Compliance with the used oil storage requirements specified in 329 IAC 13-8-5 (Used Oil Storage), and~~

~~(c) Maintaining records pursuant to 329 IAC 13-8-6 (Tracking).~~

~~The burning of mixtures of used oil and hazardous waste that is regulated under 329 IAC 3.1 is prohibited at this source.~~

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

IAC 6-3-2(d) that were effective June 12, 2002 are now federally enforceable, the last statement in C.1(b) has been removed.

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

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

~~(b)~~ Pursuant to 326 IAC 6-3-2(e)(2), particulate emissions from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour. ~~This condition is not federally enforceable.~~

11. For clarification purposes, Conditions D.1.3, D.2.3, and D.3.3 have been revised as follows:

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

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

(1) When building a new fire in a boiler, opacity may exceed the **applicable** ~~40% opacity~~ limit**ation established in 326 IAC 5-1-2** for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute-averaged periods) during the start up period, or until the flue gas temperature entering the electrostatic precipitator reaches two hundred and fifty (250) degrees **Fahrenheit at the inlet of the electrostatic precipitator**, which ever occurs first.

(2) When shutting down a boiler, opacity may exceed the **applicable** ~~40% opacity~~ limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

. . .

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

(a) Pursuant to 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), the following applies to Unit 2:

(1) When building a new fire in a boiler, opacity may exceed the **applicable** ~~40% opacity~~ limit**ation established in 326 IAC 5-1-2** for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute-averaged periods) during the start up period, or until the flue gas temperature entering the electrostatic precipitator reaches two hundred and fifty (250) degrees **Fahrenheit at the inlet of the electrostatic precipitator**, which ever occurs first.

(2) When shutting down a boiler, opacity may exceed the **applicable** ~~40% opacity~~ limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

. . .

D.3.3 **Startup, Shutdown and Other Opacity Limits** ~~Temporary Alternative Opacity Limitations~~ [326 IAC 5-1-3]

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

(1) When building a new fire in a boiler, opacity may exceed the **applicable** ~~40% opacity~~ limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of one (1) hour (ten (10) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred and 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** ~~40% opacity~~ limitation **established in 326 IAC 5-1-2** for a period not to exceed a total of one half (0.5) hour (five (5) six (6)-minute averaging periods) during the shutdown period.

. . .

12. Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall comply with the following:

(a) Operate each electrostatic precipitators (ESP) at all times the unit is combusting coal to maximize PM emission reductions, consistent with the operational and maintenance limitations of the units.

(b) Continuously operate the SCR at Unit 3 at all times that this unit is in operation, consistent with the technological limitations, manufactures' specifications, and good operating practices for the SCR.

(c) Continuously operate the FGD serving Units 2 and 3 at all times that the unit it serves is in operation, except in the event of a planned FGD outage. Following startup of coal, the Permittee does not need to operate the FGD until the unit is fired with coal.

For clarification purposes, Conditions D.1.7 (now D.1.5), D.2.7(now D.2.5), D.2.8 (now D.2.6), D.3.6 (now D.3.5), D.3.8 (now D.3.6), and D.3.9 (now D.3.7) have been revised as follows:

D.1.~~7~~**5** Particulate Control ~~- Operation of Electrostatic Precipitator~~ [326 IAC 2-7-6(6)]

(a) ~~Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, and i~~**I**n order to comply with Condition D.1.2, the Permittee shall operate the electrostatic precipitator (ESP) at all times (except as otherwise specified in this permit) Unit 1 is in operation.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the electrostatic precipitators (ESP) at all times Unit 1 is combusting coal to maximize PM emission reductions, consistent with the operational and maintenance limitations of the unit.

D.2.~~7~~**5** Particulate Control ~~- Operation of Electrostatic Precipitator~~ [326 IAC 2-7-6(6)]

(a) ~~Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, and i~~**I**n order to comply with Condition D.2.2, the Permittee shall operate the electrostatic precipitator (ESP) at all times Unit 2 is combusting coal (except as otherwise specified in

this permit **or when firing only natural gas**) ~~to maximize PM emission reductions, consistent with the operational and maintenance limitations of Unit 2~~.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the electrostatic precipitators (ESP) at all times Unit 2 is combusting coal to maximize PM emission reductions, consistent with the operational and maintenance limitations of the unit.

D.2.8~~6~~ Sulfur Dioxide Control

(a) ~~Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, and i~~**I**n order to comply with Conditions D.2.1 and D.2.4, the Permittee shall operate the FGD scrubber at all times Unit 2 is in operation **(**except ~~in the event of a planned FGD outage~~ **as otherwise specified in this permit** or when firing only natural gas**)**.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall continuously operate the FGD at all times that the Unit 2 is in operation, except in the event of a planned FGD outage. Following startup of coal, the Permittee does not need to operate the FGD until the unit is fired with coal.

~~(b)~~**(c)** Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, in the event of a planned FGD outage, SIGECO may continue to operate Unit 2 but shall burn down the coal existing in the Unit 2 bunker to the extent practicable, and, prior to shutting down the FGD, load Compliance Coal into the bunker for use until such time as the FGD resumes operation. In the event of an unplanned FGD outage, SIGECO shall feed Compliance Coal to the Unit 2 bunker until such time as the FGD resumes operation. Compliance Coal is defined as 2.0 lb/MMBtu SO_2 as demonstrated by a 4-hour composite sample of the feed stock.

Compliance Determination Requirements

D.3.6~~5~~ SO_2 Control ~~- Scrubber Operation~~ [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

(a) ~~Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, CP 173-2718-00001, issued on June 1, 1994, and i~~**I**n order to comply with Condition D.3.4, the Permittee shall ~~continuously~~ operate the FGD scrubber at all times Unit 3 is in operation ~~except in the event of a planned FGD outage~~ **(except as otherwise specified in this permit or when firing only natural gas)**.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall continuously operate the FGD at all times that the Unit 3 is in operation, except in the event of a planned FGD outage. Following startup of coal, the Permittee does not need to operate the FGD until the unit is fired with coal.

~~**Compliance Determination Requirements**~~

D.3.8~~6~~ Particulate Control

(a) ~~Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003,~~ **In order to demonstrate compliance with Condition D.3.2,** the Permittee shall operate the electrostatic precipitator (ESP) at all times (except as otherwise specified in this permit) Unit 3 is in operation.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the electrostatic precipitators (ESP) at all times Unit 3 is combusting coal to maximize PM emission reductions, consistent with the operational and maintenance limitations of the unit.

D.3.~~9~~**7** Nitrogen Oxide Control

(a) The SCR for NOx control shall be in operation at all times (except as otherwise specified in this permit) when Unit 3 is in operation.

(b) Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee shall operate the SCR on Unit 3 at all times that the facility is in operation, consistent with the technological limitations, manufacturers' specifications, and good operating practices for the SCR.

13. Upon further review, IDEM has decided to remove (d) concerning nonroad engines from Condition B.18 - Permit Amendment or Modification. 40 CFR 89, Appendix A specifically indicates that states are not precluded from regulating the use and operation of nonroad engines, such as regulations on hours of usage, daily mass emission limits, or sulfur limits on fuel; nor are permits regulating such operations precluded, once the engine is no longer new. Therefore, Condition B.18 has been revised as follows:

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

. . .

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

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:	Southern Indiana Gas and Electric Company (SIGECO)
Source Location:	F.B. Culley Station, County Road 350W and Old Highway 66, Yankeetown, Indiana 47630
County:	Warrick
SIC Code:	4911
Operation Permit No.:	T173-6885-00001
Permit Reviewer:	ERG/AO

The Office of Air Quality (OAQ) has reviewed a Part 70 Operating Permit application from Southern Indiana Gas and Electric Company ("SIGECO") relating to the operation of an electric utility generation plant.

This Part 70 operating permit contains provisions intended to satisfy the requirements of the construction permit rules.

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted emission units and pollution control devices:

(a) One (1) coal/natural gas fired boiler, identified as Unit 1, constructed in 1952, with a maximum capacity of 477 MMBtu per hour, using an electrostatic precipitator as control, and exhausting to stack 1. Unit 1 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(b) One (1) coal/natural gas fired boiler, identified as Unit 2, constructed in 1963, with a maximum capacity of 1031 MMBtu per hour, using an electrostatic precipitator for control, and a low NOx burner for NOx reduction, and exhausting to stack 3. Unit 2 shares the FGD system and exhaust stack with Unit 3, and has stack 2 as a bypass stack. Unit 2 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(c) One (1) coal/natural gas fired boiler, identified as Unit 3, constructed in 1970, with a maximum capacity of 2689 MMBtu per hour, using an electrostatic precipitator for control, and low NOx burner and selective catalytic reduction technology (SCR) for NOx reduction, and exhausting to stack 3. Unit 3 shares the FGD system and exhaust stack with Unit 2. Unit 3 has continuous emissions monitors (CEMs) for nitrogen oxides (NOx) and sulfur dioxide (SO_2) and a continuous opacity monitor (COM).

(d) Coal storage and handling operations, identified as Unit 5F, constructed in 1954, expanded in 1963 and 1970, and modified in 1994, consisting of the following activities:

(1) Unit 1 coal storage pile of 55,000 tons.

(2) Unit 1 coal pile transfer conveyor to Units 2 and 3 coal piles, with a maximum coal feed belt capacity of 600 tons per hour.

(3) Unit 1 coal pile hopper, with a maximum coal feed belt capacity of 600 tons per hour.

(4) Unit 1 coal hopper conveyor, with a maximum coal feed belt capacity of 600 tons per hour.

(5) Unit 1 coal transfer house conveyor drop, with a maximum coal feed belt capacity of 600 tons per hour.

(6) Unit 1 coal transfer house conveyor, with a maximum coal feed belt capacity of 1240 tons per hour.

(7) Units 1 and 2 coal transfer house conveyor drop, with a maximum coal feed belt capacity of 1240 tons per hour.

(8) Units 1 and 2 coal transfer house conveyor, with a maximum coal feed belt capacity of 1240 tons per hour.

(9) Units 1 and 2 powerhouse coal tripper conveyor, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(10) Units 1 and 2 powerhouse coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(11) Units 1 and 2 powerhouse coal bunkers, with a maximum coal feed belt capacity of 1240 tons per hour, with an enclosed powerhouse and sealed transfer points.

(12) Units 2 and 3 coal pile of 645,000 tons.

(13) Unit 2 coal pile hopper, with a maximum coal feed belt capacity of 640 tons per hour.

(14) Unit 2 coal pile hopper conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(15) Unit 3 coal pile hopper, with a maximum coal feed belt capacity of 640 tons per hour.

(16) Unit 3 coal pile hopper conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(17) Unit 3 coal transfer house conveyor drop 1, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed transfer house and baghouse for control, exhausting to stack 8.

(18) Unit 3 coal transfer house conveyor, with a maximum coal feed belt capacity of 640 tons per hour.

(19) Unit 3 coal transfer house conveyor drop 2, with a maximum coal feed belt capacity of 640 tons per hour.

(20) Unit 3 powerhouse coal tripper conveyor, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(21) Unit 3 powerhouse coal tripper conveyor bunker drop, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(22) Unit 3 powerhouse coal bunker, with a maximum coal feed belt capacity of 640 tons per hour, with an enclosed powerhouse and sealed transfer points.

(e) A fly ash handling facility, identified as Unit 6, constructed in 1994, consisting of the following operations:

(1) One (1) fly ash storage silo receiving fly ash via a close-pipe vacuum handling system from the electrostatic precipitator hoppers of Units 2 and 3, with a maximum capacity of 1000 tons, and a maximum throughput of 179.9 tons per hour, with a fabric filter separator exhausting to stack 16 and a bin filter exhausting to stack 17. The filter/separator is designed for operation 50% of the time.

(2) One (1) fly ash silo truck loadout station, with a maximum capacity of 25 tons per hour (the coal trucks have a maximum capacity of 25 tons and haul ash at the rate of one truck per hour), with an enclosed telescoping discharged chute and emissions reduced by fly ash wetting and partial loading of the trucks.

(3) One (1) East Ash Pond receiving sluiced (closed-pipe) bottom ash from Units 1, 2 and 3 and sluiced fly ash from Unit 1. The ash is discharged to the pond at a maximum annual rate of 4.65 tons per hour and stored in wet form, that is, a layer of water maintained above the ponded ash and dredging operations conducted periodically to maintain the ponded storage state.

(f) A limestone handling facility, identified as Unit 7, constructed in 1994, consisting of the following operations:

(1) One (1) limestone unloading floating clamshell dock, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 6.

(2) One (1) covered conveyor, identified as Conveyor 1, with a maximum throughput of 550 tons per hour.

(3) One (1) limestone truck loadout to conveyor, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 9.

(4) One (1) covered conveyor, identified as Conveyor 2, with a maximum throughput of 800 tons per hour.

(5) One (1) limestone storage building, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 10.

(6) One (1) limestone storage building loadout, with a maximum capacity of 750 tons per hour, with an enclosed building for dust control, exhausting indoors.

(7) One (1) covered conveyor, identified as Conveyor 3, with a maximum throughput of 300 tons per hour.

(8) One (1) limestone transfer house #1, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 12.

(9) One (1) covered conveyor, identified as Conveyor 4, with a maximum throughput of 300 tons per hour.

(10) One (1) limestone transfer house, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 8.

(11) One (1) covered conveyor, identified as Conveyor 5, with a maximum throughput of 300 tons per hour.

(12) One (1) limestone transfer house #2, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 14.

(13) One (1) covered conveyor, identified as Conveyor 6, with a maximum throughput of 300 tons per hour.

(14) One (1) limestone day silo, with a maximum capacity of 750 tons per hour, with a fabric filter for dust control, exhausting to stack 15.

(g) A gypsum (wet filter cake of 80-85% moisture content) handling facility, identified as Unit 8, constructed in 1994, consisting of the following operations:

(1) One (1) gypsum filter cake conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 11.

(2) One (1) gypsum filter cake conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 13.

(3) One (1) covered conveyor, identified as G-1A, with a maximum capacity of 50 tons per hour.

(4) One (1) covered conveyor, identified as G-1B (operates only when G-1A is offline), with a maximum capacity of 50 tons per hour.

(5) One (1) gypsum filter cake transfer house conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 4.

(6) One (1) covered conveyor, identified as G-2A, with a maximum capacity of 50 tons per hour.

(7) One (1) covered conveyor, identified as G-2B (operates only when G-2A is offline), with a maximum capacity of 50 tons per hour.

(8) One (1) gypsum storage building consisting of two (2) 1000-ton gypsum storage silos and one (1) storage pile designated for truck haul-away, exhausting indoors.

(9) One (1) covered silo to barge loadout primary filter cake transfer conveyor, identified as Conveyor 4, with a maximum capacity of 400 tons per hour, with a fabric filter for dust control, exhausting to stack 7.

(10) One (1) covered silo to truck secondary transfer conveyor, identified as Conveyor 3, with a maximum capacity of 400 tons per hour, exhausting indoors.

(11) One (1) gypsum barge loadout conveyor drop, with a maximum capacity of 35 tons per hour, with a fabric filter for dust control, exhausting to stack 5.

(12) One (1) gypsum barge loadout with two (2) telescoping transfer chutes delivering filter cake gypsum to river barges, with a maximum capacity of 400 tons per hour.

(h) One (1) flue gas desulfurization (FGD) system for Units 2 and 3, constructed in 1994, consisting of the following limestone operations:

(1) Two (2) wet ball mills (one operational and one full capacity spare), receiving limestone from the day silo of the limestone handling facility (Unit 8). Each ball mill is a closed-device (hard-piped, enclosed design), wet mill capable of handling 20.5 tons per hour of dry limestone feed.

(2) Two (2) limestone slurry storage tanks, receiving the ball mill product (fresh limestone slurry), which is then discharged into the scrubber system. The scrubbed gas stream exits the absorber tower through the scrubber stack.

Unpermitted Emission Units and Pollution Control Equipment

There are no unpermitted emission units operating at this source during this review process.

Insignificant Activities

The source also consists of the following insignificant activities, as defined in 326 IAC 2-7-1(21):

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

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

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

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

(e) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) Btu per hour.

(f) Propane or liquefied petroleum gas, or butane-fired combustion sources with heat input equal to or less than six million (6,000,000) Btu per hour.

(g) 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.

(h) Combustion source flame safety purging on startup.

(i) A gasoline fuel transfer and dispensing operation handling less than or equal to 1,300 gallons per day, such as filling of tanks, locomotives, automobiles, having a storage capacity less than or equal to 10,500 gallons.

(j) A petroleum fuel, other than gasoline, dispensing facility, having a storage capacity of less than or equal to 10,500 gallons, and dispensing less than or equal to 230,000 gallons per month.

(k) Machining where an aqueous cutting coolant continuously floods the machining interface.

(l) Cleaners and solvents characterized as follows:

(1) having a vapor pressure equal to or less than 2 kPa; 15mm Hg; or 0.3 psi measured at 38 degrees C (100oF) or;

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

(m) Closed loop heating and cooling systems.

(n) Solvent recycling systems with batch capacity less than or equal to 100 gallons.

(o) Activities associated with the treatment of wastewater streams with a oil and grease content less than or equal to 1% by volume.

(p) Water runoff ponds of petroleum coke-cutting and coke storage piles.

(q) Any operation using aqueous solutions containing less than 1% by weight VOCs excluding HAPs.

(r) Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.

(s) Heat exchanger cleaning and repair.

(t) Process vessel degassing and cleaning to prepare for internal repairs.

(u) Stockpiled soils from soil remediation activities that are covered and waiting transport for disposal.

(v) Underground conveyors.

(w) The following VOC and HAP storage containers: Storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons; Vessels storing lubricating oils, hydraulic oils, and machining fluids.

(x) Asbestos abatement projects regulated by 326 IAC 14-10.

(y) Purging of gas lines and vessels that are related to routine maintenance and repair of buildings, structures, or vehicles at the source where air emissions from those activities would not be associated with any production process.

(z) Flue gas conditioning systems and associated chemicals such as the following: sodium sulfate; ammonia; and sulfur trioxide.

(aa) 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.

(bb) Blowdown for any of the following: sight glass; boiler; compressors; pumps; and cooling tower.

(cc) On-site fire and emergency response training approved by the department.

(dd) Emergency generators as follows: natural gas turbines or reciprocating engines not exceeding 16,000 horsepower.

(ee) Emergency diesel fire pump.

(ff) Filter or coalescer media changeout.

(gg) Stationary fire pumps.

(hh) A laboratory as defined in 326 IAC 2-7-1(21)(D).

(ii) Farm operations.

(jj) Activities with emissions equal to or less than the following thresholds: 5 lb/hr or 25 lb/day PM; 5 lb/hr or 25 lb/day SO_2; 5 lb/hr or 25 lb/day NOx; 3 lb/hr or 15 lb/day VOC; 0.6 tons per year Pb; 1.0 ton/yr of a single HAP, or 2.5 ton/yr of any combination of HAPs:

(1) Boiler chemical cleaning waste evaporation, which involves the evaporation of boiler chemical cleaning wastes that may occur during episodic scheduled boiler outages.

(2) Coal yard gas tank #1

(3) Coal yard gas tank #2

(4) Natural gas fired emergency generator (250 hp)

Existing Approvals

The source has constructed or has been operating under the following previous approvals:

(a) OP 87-01-90-0092, issued on March 18, 1986.

(b) OP 87-01-90-0093, issued on March 18, 1986.

(c) OP 87-01-90-0094, issued on March 18, 1986.

(d) OP 87-01-90-0095, issued on March 18, 1986.

(e) CP 173-2718-00001, issued on June 1, 1994.

(f) AR 173-5154-00001, issued on December 31, 1997.

(g) MPR 173-12521-00001, issued on February 23, 2001.

All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either incorporated as originally stated, revised, or deleted by this permit. All previous permits are superseded by this permit.

The following terms and conditions from previous approvals have been determined no longer applicable; therefore, were not incorporated into this Part 70 permit:

(a) All construction conditions from all previously issued permits.

Reason not incorporated: All facilities previously permitted have already been constructed; therefore, the construction conditions are no longer necessary as part of the

operating permit. Any facilities that were previously permitted but have not yet been constructed would need new pre-construction approval before beginning construction.

(b) Condition 5(a) through (d); CP 173-2718-00001, issued on June 1, 1994:

(a) Unit 2 may be operated in bypass of the flue gas desulfurization system at any time, provided sulfur dioxide emission limitation in 326 IAC 7-4-10 is not exceeded on a 30-day rolling weighted average basis pursuant to 326 IAC 7-2-1(c).

(b) Unit 2 in the event of an unscheduled outage of the flue gas desulfurization system shall burn coal currently bunkered for Unit 2 at the time of the outage, so long as the applicable sulfur dioxide limitation in 326 IAC 7-4-10 is not exceeded on a 30-day rolling weighted average basis pursuant to 326 IAC 7-2-1(c).

(c) After exhaustion of coal bunkered at the time of an unscheduled flue gas desulfurization system outage, Unit 2 shall switch to coal which meets the requirements of applicable sulfur dioxide emission limitation in 326 IAC 7-4-10 as determined by 30-day rolling weighted average basis pursuant to 326 IAC 7-2-1(c), for the duration of the flue gas desulfurization outage.

(d) In the event of forced outage of Unit 3, pursuant to National Fire Protection Association Code requirements, Unit 2 flue gases shall immediately be directed to bypass the flue gas desulfurization system so as to exit through the original Unit 2 stack to prevent fires and otherwise protect lives and equipment. Bypass of the flue gas desulfurization system in these circumstances shall last only as long as necessary to purge gases from and achieve safe shut down of the failed Unit 3, after which normal emissions through the flue gas desulfurization system shall resume, subject to availability of the flue gas desulfurization system to operate.

Reason not incorporated: The conditions pertaining to Units 2 and 3 in the Consent Decree Civil Action No. IP99-1692 C-M/F, issued on June 6, 2003 supercede the requirements in CP 173-2718-00001, issued on June 1, 1994.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

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

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

An administratively complete Part 70 permit renewal application for the purposes of this review was received on October 11, 1996. Additional information was received on December 6, 1996 and October 20, 1998.

There was no notice of completeness letter mailed to the Permittee.

Emission Calculations

See Appendix A (pages 1 through 6) of this document for detailed emission calculations.

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 or emissions unit to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, inclulding air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U.S. EPA, the department, or the appropriate local air pollution control agency."

Pollutant	Potential to Emit (tons/yr)
PM	Greater than 250
PM-10	Greater than 250
SO_2	Greater than 250
VOC	Less than 100
CO	Greater than 250
NO_x	Greater than 250

HAPs	Potential to Emit (tons/yr)
Hydrogen Chloride	Greater than 10
Hydrogen Fluoride	Greater than 10
Sulfuric Acid Mist	Greater than 10
Benzene	less than 10
Formaldehyde	less than 10
Lead	less than 10
Mercury	less than 10
Nickel	less than 10
Arsenic	less than 10
Selenium	less than 10
Beryllium	less than 10
Cadmium	less than 10
Chromium	less than 10
Manganese	less than 10
Cyanide	less than 10
Total	**Greater than 25**

(a) The potential to emit (as defined in 326 IAC 2-7-1(29)) of PM-10, SO_2, CO and NO_x are equal to or greater than 100 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

(b) The potential to emit (as defined in 326 IAC 2-7-1(29)) of any single HAP is equal to or greater than ten (10) tons per year and/or the potential to emit (as defined in 326 IAC 2-7-1(29)) of a combination of HAPs is equal to or greater than twenty-five (25) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

(c) Fugitive Emissions
Since this type of operation is one of the twenty-eight (28) listed source categories under 326 IAC 2-2 and since there are applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive emissions are counted toward determination of PSD applicability.

Actual Emissions

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

Pollutant	Actual Emissions (tons/year)
PM	not reported
PM10	2,553.0
SO_2	7,119.0
VOC	34.0
CO	291.0
NO_x	6238.0
HAP (specify)	not reported

County Attainment Status

The source is located in Warrick County.

Pollutant	Status
PM10	Attainment
SO_2	Unclassifiable
NO_2	Attainment
1-hour Ozone	Attainment
8-hour Ozone	Nonattainment
CO	Attainment
Lead	Attainment

(a) Volatile organic compounds (VOC) and Nitrogen Oxides (NOx) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC and NOx emissions are considered when evaluating the rule applicability relating to the ozone standards. Warrick County has been designated as nonattainment for the 8-hour ozone standard. Therefore, VOC and NOx emissions were reviewed pursuant to the requirements for nonattainment new source review.

(b) Warrick County has been classified as attainment or unclassifiable for PM-10, SO_2, NO_2, CO and Lead. Therefore, these emissions were reviewed pursuant to the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration (PSD)). See the State Rule Applicability section.

Part 70 Permit Conditions

This source is subject to the requirements of 326 IAC 2-7, pursuant to which the source has to meet the following:

(a) Emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of issuance of Part 70 permits.

(b) Monitoring and related record keeping requirements which assure that all reasonable information is provided to evaluate continuous compliance with the applicable requirements.

Federal Rule Applicability

(a) This source is subject to the provisions of 40 CFR Part 64, Compliance Assurance Monitoring (CAM). In order for this rule to apply, a specific emissions unit must meet three criteria for a given pollutant: 1) the unit is subject to an emission limitation or standard for the applicable regulated air pollutant, 2) the unit uses a control device to achieve compliance with any such emission limitation or standard, and, 3) the unit has potential pre-control device emissions of the applicable regulated air pollutant that are equal or greater than 100 percent of the amount required for a source to be classifies as a major source. Several facilities at this source satisfy these three criteria. The Part 70 permit application was submitted prior to April 20, 1998; therefore, pursuant to 40 CFR 64.5(a)(3), the source (and the subject facilities contained therein) is required to submit the information required under 40 CFR 64.4 as part of the Part 70 permit renewal application.

(b) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart D - Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After August 17, 1971) are not included in the permit for Unit 1, Unit 2 and Unit 3. Construction of each boiler commenced prior to August 17, 1971.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart Da - Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction is Commenced After September 18, 1978) are not included in the permit for Unit 1, Unit 2 and Unit 3. Construction of each boiler commenced prior to September 18, 1978.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart Db - Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units) are not included in the permit for Unit 1, Unit 2 and Unit 3. Construction of each boiler commenced prior to June 19, 1984.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart Dc - Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units) are not included in the permit for Unit 1, Unit 2 and Unit 3. Construction of each boiler commenced prior to June 9, 1989.

(c) The requirements of the the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) are not included in the permit for the coal storage, handling, and sizing operations. Coal is not a nonmetallic mineral as defined in 40 CFR 60.671.

The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) are not included in the permit for the fly ash handling operations (Unit 6). Fly ash is not a nonmetallic mineral as defined in 40 CFR 60.671.

(d) The FGD system on Units 2 and 3 is subject to the requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) because it performs nonmetallic mineral processing and was constructed after August 1, 1983.

Pursuant to 326 IAC 12 and 40 CFR 60.670 through 60.676, Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants), the FGD system on Units 2 and 3 is subject to the following requirements:

(1) The Permittee shall not cause to be discharged into the atmosphere:

(A) From the transfer of limestone from the day silo to the ball mills, any fugitive emissions which exhibit greater than ten percent (10%) opacity, except as provided in (1)(B), and (C) of this condition. [40 CFR 60.672(b)]

(B) Truck dumping of nonmetallic minerals into any screening operation, feed hopper, or crusher is exempt from the requirements of 40 CFR 60.672. [40 CFR 60.672(d)]

(C) The wet ball mills are enclosed; therefore, each enclosed affected facility must comply with the emission limit in (1)(A) of this condition.

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

(e) The limestone (Unit 7) and gypsum (Unit 8) handling operations are subject to the requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart OOO – Standards of Performance for Nonmetallic Mineral Processing Plants) because they perform nonmetallic mineral processing and were constructed after August 1, 1983.

Pursuant to 326 IAC 12 and 40 CFR 60.670 through 60.676, Subpart OOO (Standards of Performance for Nonmetallic Mineral Processing Plants), the limestone (Unit 7) and gypsum (Unit 8) handling operations are subject to the following requirements:

(1) The Permittee shall not cause to be discharged into the atmosphere:

(A) From the following limestone handling facilities: limestone unloading floating dock (S6), limestone transfer house (S8), limestone truck loadout to conveyor (S9), limestone storage building (S10), limestone transfer house #1 (S12), limestone transfer house #2 (S14), limestone daily silo feed (S15); and the following gypsum handling operations: gypsum silo feed conveyor (S4), gypsum barge loadout (S5), gypsum unloading onto G5 conveyor (S7), gypsum to G-1A conveyor (S11), gypsum to G-1B conveyor (S13), any stack emissions which:

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

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

(B) From the limestone and gypsum covered conveyors and gypsum barge loadout, any fugitive emissions which exhibit greater than ten percent (10%) opacity, except as provided in (1)(C), (D), and (E) of this condition. [40 CFR 60.672(b)]

(C) Truck dumping of nonmetallic minerals into any screening operation, feed hopper, or crusher is exempt from the requirements of 40 CFR 60.672. [40 CFR 60.672(d)]

(D) The limestone storage building loadout and gypsum storage building are enclosed; therefore, each enclosed affected facility must comply with the emission limits in (1)(A), (B), and (C) of this condition, or the Permittee shall not cause to be discharged into the atmosphere:

(i) From the limestone storage building loadout and gypsum storage building, any visible fugitive emissions except emissions from a vent as defined in 40 CFR 60.671.

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

(E) From the baghouse that controls emissions from the limestone storage building (S10) and the limestone day silo (S15), stack emissions which exhibit greater than seven percent (7%) opacity. Multiple storage bins with combined stack emissions shall comply with the emission limits in (1)(A) of this condition. [40 CFR 60.672(f)]

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

(f) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart Y – Standards of Performance for Coal Preparation Plants) are not included in the permit for the coal storage and handling operations (Unit 5F). They were modified after October 24, 1974, however, they are not located at a coal preparation plant as defined in 40 CFR 60.251(a).

The requirements of New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart Y – Standards of Performance for Coal Preparation Plants) are not included in the permit for the FGD system for Units 2 and 3.The facilities are not located at a coal preparation plant as defined in 40 CFR 60.251(a).

(g) The requirements of the New Source Performance Standard, 326 IAC 12 (40 CFR Part 60, Subpart GG– Standards of Performance for Stationary Gas Turbines) are not included in the permit for the turbines. The source operates steam turbines, not gas turbines.

(h) The requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP), 326 IAC 20, (40 CFR Part 63, Subpart T) are not included in the permit for the insignificant degreasers. The degreasers do not use halogenated HAP solvents.

(i) The requirements of the National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, 40 CFR Part 63, Subpart ZZZZ, are not included in the permit for the emergency diesel fired pump. The pump has a site rating of less than 500 brake horsepower.

The requirements of the National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (RICE), 40 CFR Part 63, Subpart ZZZZ, are not included in the permit for the insignificant emergency generators. The facilities are existing emergency stationary RICE, as defined by 40 CFR 63.6675. However, pursuant to 40 CFR 63.6590(b)(3), there are no applicable requirements from 40 CFR Part 63, Subpart ZZZZ and 40 CFR Part 63, Subpart A for existing emergency stationary RICE.

(j) This source is subject to the requirements of 40 CFR Part 72 through 40 CFR Part 80 (Acid Rain Program). The requirements of this program are detailed in the attached permit AR 173-5154-00001, issued on December 31, 1997, included as Appendix A to the permit. Note that continuous emission monitors (CEMs) are required on Units 1 through 3 in order to demonstrate compliance with 40 CFR Part 72 through 40 CFR Part 80 (Acid Rain Program).

(k) The requirements of 40 CFR Part 63, Subpart DDDDD (National Emission Standards for Hazardous Air Pollutants: Industrial, Commercial, and Institutional Boilers and Process Heaters) and 326 IAC 20 are not included in the permit for Units 1 through 3. Pursuant to 40 CFR 63.7491, each unit is an electric utility steam generating unit that is a fossil fuel-fired combustion unit of more than 25 megawatts and serves a generator that produces electricity for sale.

State Rule Applicability – Entire Source

326 IAC 2-2 (Prevention of Significant Deterioration)

This source belongs to 1 of the 28 PSD source categories (fossil fuel-fired steam electric plants of more than 250 MMBtu per hour heat input) with a major source threshold of 100 tons per year. The source was constructed prior to the promulgation of PSD Rules. Upon promulgation of PSD Rules, the source was an existing major source for PM, PM-10, SO_2, NO_x and CO because the potential to emit of each pollutant was greater than 100 tons per year.

On June 1, 1994, the source was issued CP 173-2718-00001 for the construction of a flue gas desulfurization system for boilers 2 and 3. The requirements of 326 IAC 2-2 were not addressed in that approval.

On February 23, 2001, the source was issued MPR 173-12521-00001 for maintenance activities on Unit 2 which included: replacement of the economizer, replacement of the process control system, replacement of the last row of turbine blades in the steam turbine and a complete field rewind and replacement of the main lead for the turbine-generator.

Consent Decree: Civil Action No. IP99-1692 C-M/F

On June 6, 2003, the Department of Justice and the Environmental Protection Agency (EPA) entered into a Clean Air Act settlement with SIGECO for the alleged violation of the following regulations in which SIGECO allegedly failed to obtain the necessary permits and install the controls necessary under the Clean Air Act (CAA) to reduce its sulfur dioxide, nitrogen oxides and/or particulate matter emissions. Specifically, SIGECO allegedly violated the:

(a) Prevention of Significant Deterioration provisions in Part C of Subchapter I of CAA, 42 U.S.C. §§ 7470-92;

(b) New Source Performance Standards (NSPS) in 42 U.S.C. §7411; and

(c) Federally approved and enforceable Indiana State Implementation Plan ("Indiana SIP")

The agreement requires SIGECO to install and/or upgrade state-of-the-art environmental controls at two units and elect to shut down or re-power and control a third unit. The agreement also requires SIGECO to significantly reduce PM, NOx and SO_2 emissions. The effective date of the Consent Decree is June 6, 2003. The following is a summary of the settlement's requirements:

By no later than December 31, 2004, SIGECO shall elect and notify EPA of such decision, to either re-power the F.B. Culley Unit 1 from a coal-fired to a natural gas fired unit, or retire and permanently cease to operate Unit 1. By no later than December 31, 2006, SIGECO shall either complete the re-power of F.B. Culley Unit 1 from a coal-fired to a natural gas fired unit and satisfy the NOx emission control requirements, or retire and permanently cease to operate Unit 1.

NOx Emission Controls

If SIGECO elects to re-power F.B. Culley Unit 1 with a new combined cycle system, SIGECO shall install and commence continuous operation of Selective Catalytic Reduction technology ("SCR") so as to achieve a 30-Day Rolling Average Emission Rate not greater than 3.5 ppm NOx at F.B. Culley Unit 1 by no later than December 31, 2006. If SIGECO elects to repower F.B. Culley Unit 1 using the existing boiler system, SIGECO shall install and commence continuous operation of the SCR for Culley Unit 1 so as to achieve a BACT-level emission rate for NOx as determined by the State permitting process, at F.B. Culley Unit 1 by no later than December 31, 2006. SIGECO shall continuously operate the SCR currently installed at F.B. Culley Unit 3 so as to achieve and maintain a 30-Day Rolling Average Emission Rate for NOx of not greater than 0.100 lb/MMBtu by no later than September 1, 2003.

SIGECO shall continuously operate each SCR at Units 1 (if elected) and 3 at all times that the Unit it serves is in operation, consistent with the technological limitations, manufacturers' specifications, and good operating practices for the SCR.

SO_2 Emission Controls

SIGECO shall improve the FGD serving Units 2 and 3 so as to achieve and maintain a 30-Day Rolling Average SO_2 Removal Efficiency of at least 95 percent, by no later than June 30, 2004. Based on information provided by SIGECO on May 24, 2004, this mandatory improvement was completed on October 1, 2003. SIGECO shall continuously operate the FGD serving Units 2 and 3 at all times that the Units are in operation, except in the event of a planned FGD outage. Following startup of the Units, SIGECO need not operate the FGD until either Unit is fired with any coal.

In the event of a planned FGD outage, SIGECO may continue to operate Unit 2 but shall burn down the coal existing in the Unit 2 bunker to the extent practicable, and, prior to shutting down the FGD, load Compliance Coal into the bunker for use until such time as the FGD resumes operation. In the event of an unplanned FGD outage, SIGECO shall feed Compliance Coal to the Unit 2 bunker until such time as the FGD resumes operation. Compliance Coal is defined as 2.0 lb/MMBtu SO_2 as demonstrated by a 4-hour composite sample of the feed stock.

PM Emission Controls

SIGECO shall continuously operate, at all times each of the boilers is combusting coal, each ESP on Units 1, 2 and 3 to maximize PM emission reductions, consistent with the operational and maintenance limitations of the Units.

By no later than June 30, 2007, SIGECO shall install and operate a baghouse at Unit 3 that achieves and maintains a PM Emission Rate of 0.015 lb/MMBtu. SIGECO shall continuously operate the baghouse at all times that Unit 3 is combusting coal.

By no later than December 31, 2003, and continuing biennially thereafter, SIGECO shall conduct performance testing on F.B. Culley Unit 3. (Testing was completed on November 4, 2003.) Such performance tests may be satisfied by stack tests conducted in accordance with SIGECO's permit from the State of Indiana.

Environmental Project

SIGECO shall design, construct, operate, and analyze a Sulfuric Acid Reduction Project ("Project") to reduce SO_3 content in the flue gas of Unit 3. The Project requires the injection of sodium bisulfite/sulfate in variable concentrations to determine the removal efficiency and viability of operation. The Project includes, but is not limited to, installation of pollution control technology including an injection grid, piping, pumps, storage tanks and a control system.

SIGECO shall, by no later than June 30, 2004, commence operation of the Project. By no later than December 31, 2003, SIGECO shall submit to the EPA for review and approval, pursuant to Section XIII of the Consent Decree, a plan for the implementation of the Project, including the date by which SIGECO will commence design and construction of the Project. According to SIGECO, the plan was submitted on November 22, 2003.

Periodic Reporting

Within 180 days of the installation of the baghouse or the SCR on Unit 1, if elected, SIGECO shall conduct performance tests that demonstrate compliance with the Emission Rate or Removal Efficiency required by the Consent Decree. Within 45 days of each such performance test, SIGECO shall submit the results of the performance test to EPA at the address specified in Section XIX (Notices) of the Consent Decree. Beginning thirty days after the calendar quarter ending December 31, 2003, continuing on a semi-annual basis until December 31, 2010, SIGECO shall submit to EPA a progress report. The progress report shall contain the following information:

(a) All information necessary to determine compliance with this Consent Decree; and

(b) All information indicating that the installation and/or commencement of operation for a pollution control device may be delayed, including the nature and cause of the delay, and any steps taken by SIGECO to mitigate such delay.

Permits and State Implementation Plan

Within ninety (90) days of entry of the Consent Decree, SIGECO shall amend any applicable Title V permit application, or apply for amendments of its Title V permits, to include a schedule for all performance, operational, maintenance, and control technology requirements established by the Consent Decree, including but not limited to, Emission Rates, Removal Efficiencies, and the requirements pertaining to surrender of SO_2 Allowances. Within one year from the commencement of operation of each pollution control device to be installed, upgraded or operated on a continuous basis under this Consent Decree, SIGECO shall apply to modify its Title V permit for the Unit where such device is installed, upgraded or operated to reflect all new

requirements applicable to that Unit, including, but not limited to any applicable 30-Day Rolling Average Emission Rate or Removal Efficiency. SIGECO shall request a source-specific SIP revision that incorporates enforceable unit-specific emission limitations and control requirements. The permit application amendment was received on November 13, 2003.

Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, the Permittee must complete several tasks (i.e. the construction of a baghouse on Unit 3 and repowering of Unit 1) by future compliance dates. Therefore, the specific requirements regarding those tasks and how the Permittee will demonstrate compliance with the respective limitations are not provided in the permit at this time. The Permittee shall submit an application for a Significant Source Modification and Permit Modification that will specify what source and permit changes will be needed to reflect the changes.

326 IAC 2-1.1-5 (Nonattainment New Source Review)

On April 15, 2004, the United States Environmental Protection Agency (U.S. EPA) named 23 Indiana counties and one partial county nonattainment for the new 8-hour ozone standard. The designations became effective on June 15, 2004. Warrick County has been designated as nonattainment for the 8-ozone standard.

Since no modifications have been completed since the effective date of the 8-hour ozone standard, this source is not subject to any related requirements at this time. It is, however, classified as a major source for the 8-hr ozone standard under nonattainment new source review (NSR) because it has the potential to emit greater than 100 tons of NOx per year.

326 IAC 2-3 (Emission Offset)

This source is not subject to the requirements of 326 IAC 2-3 because it is located in Warrick County, which is designated as an attainment area for PM10, SO2, NOx, CO, lead and the 1-hour ozone standard.

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 2,500 tons per year of SO_2 and NOx and greater than 250 tons per year of PM-10; therefore, an emission statement covering the previous calendar year must be submitted by July 1 annually. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

326 IAC 5-1 (Opacity Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), opacity shall meet the following, unless otherwise stated in the permit:

(a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

(b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR Part 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

326 IAC 6-4 (Fugitive Dust)

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.

326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations)

The fly ash handling facilities (Unit 6), limestone handling facilities (Unit 7) and gypsum handling facilities (Unit 8) are subject to the requirements of 326 IAC 6-5 because they emit fugitive particulate matter and did not receive all necessary pre-construction approvals before December 13, 1985. Pursuant to this rule, the source shall control fugitive emissions according to the Fugitive Dust Control Plan (FDCP) submitted in 1997. The plan is included as Appendix B to the permit.

326 IAC 7-3 (Sulfur Dioxide Ambient Monitoring)

The source is subject to the requirements of 326 IAC 7-3 because it has actual SO_2 emissions of greater than ten thousand (10,000) tons per year.

Pursuant to 326 IAC 7-3-2, the source shall install and operate continuous ambient sulfur dioxide air quality monitors and a meteorological data acquisition system according to a monitoring plan submitted to the commissioner for approval. A monitoring plan shall be submitted to the department prior to October 1, 1991. The source has installed CEMs on Units 1, 2 and 3 for SO_2 in order to comply with the requirements of 40 CFR Part 72 through 40 CFR Part 80 (Acid Rain Program). Compliance with the requirements of 40 CFR Part 72 through 40 CFR Part 80 (Acid Rain Program) will ensure compliance with 326 IAC 7-3-2.

Pursuant to 326 IAC 7-3-2(d), a source owner or operator may petition the Commissioner for an administrative waiver of all or some of the requirements of 326 IAC 7-3 if the source can demonstrate that ambient monitoring is unnecessary to determine continued maintenance of the SO_2 ambient air quality standards in the vicinity of the source. A waiver shall be effective upon written approval by the Commissioner.

326 IAC 9 (Carbon Monoxide Emission Limits)

Pursuant to 326 IAC 9 (Carbon Monoxide Emission Limits), this source is not subject to 326 IAC 9 because it commenced operation prior to March 21, 1972.

326 IAC 10-4 (NOx Budget Trading Program)

Pursuant to 326 IAC 10-4-2(16) each of the following units is considered an “electricity generating unit (EGU)” because it commenced operation before January 1, 1997, and served a generator during 1995 or 1996 that had a nameplate capacity greater than twenty-five (25) megawatts that produced electricity for sale under a firm contract to the electric grid: Unit 1, Unit 2, and Unit 3. Pursuant to 326 IAC 10-4-1(a)(1), an “EGU” is a NOx budget unit. Because this source meets the criteria of having one (1) or more NOx budget units, it is a NOx budget source. The Permittee shall be subject to the requirements of this rule. The NOx budget permit is in Section F of the Part 70 permit. The Technical Support Document for the NOx budget permit is provided as Appendix B to this Technical Support Document.

Pursuant to 326 IAC 10-4-12(c), the Permittee has installed the appropriate monitoring systems and completed all certification tests as required by 326 IAC 10-4-12(b)(1) through (3) on or before May 1, 2003.

The requirements of 326 IAC 2-7-20(a) and (c) do not apply to emission trades of SO_2 or NOx in accordance with 326 IAC 21 or 326 IAC 10-4; therefore, no pre-notification of a trade under one of these rules is required.

State Rule Applicability – Boilers

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

Units 1, 2 and 3 are not subject to the requirements of 326 IAC 2-4.1 even though they each have the potential to emit greater than 10 tons per year of a single HAP or 25 tons per year of a combination of HAPs because they were each constructed prior to July 27, 1997.

326 IAC 3-5 (Continuous Monitoring of Emissions)

(a) Units 1, 2 and 3 are subject to the requirements of 326 IAC 3-5 because they are fossil fuel-fired steam generators of greater than 100 MMBtu per hour heat input capacity. Pursuant to 326 IAC 3-5-1(c)(2)(A), Units 1, 2 and 3 shall each monitor opacity. Pursuant to 326 IAC 3-5-1(c)(2)(B) and 326 IAC 3-5-1(c)(2)(C), Unit 3 shall monitor sulfur dioxide and nitrogen oxides. Units 1 and 2 are not required to measure sulfur dioxide and nitrogen oxides because on each unit, CEMs is not required to determine compliance with 326 IAC 12 or a construction permit required under 326 IAC 2.

(b) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and 40 CFR Part 60, Subpart D, continuous emission monitoring systems for Units 1, 2 and 3 shall be calibrated, maintained, and operated for measuring opacity which meet all applicable performance specifications of 326 IAC 3-5-2 and 40 CFR 60.45, where applicable.

(c) Pursuant to 326 IAC 3-5 (Continuous Monitoring of Emissions) and 40 CFR Part 60, Subpart D, continuous emission monitoring systems for Unit 3 shall be calibrated, maintained, and operated for measuring SO_2 and NO_X which meet all applicable performance specifications of 326 IAC 3-5-2 and 40 CFR 60.45.

(d) All continuous emission monitoring systems are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

(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, 40 CFR Part 60, or 40 CFR Part 75.

326 IAC 5-1-3 (Temporary Alternative Opacity Limitations)

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

(a) For Units 1 and 2, when building a new fire in a boiler, opacity may exceed the 40% opacity limitation of 326 IAC 5-1-2 for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred and fifty (250) degrees Fahrenheit, whichever occurs first.

For Unit 3, when building a new fire in a boiler, opacity may exceed the 40% opacity limitation of 326 IAC 5-1-2 for a period not to exceed a total of one (1) hour (ten (10) six (6)-minute averaging periods) during the startup period, or until the flue gas temperature reaches two hundred and fifty (250) degrees Fahrenheit, whichever occurs first

(b) For Units 1 and 2, when shutting down a boiler, opacity may exceed the 40% opacity limitation for a period not to exceed a total of two (2) hours (twenty (20) six (6)-minute averaging periods) during the shutdown period.

For Unit 3, when shutting down a boiler, opacity may exceed the 40% opacity limitation for a period not to exceed a total of one half (0.5) hour (five (5) six (6)-minute averaging periods) during the shutdown period.

(c) Operation of the electrostatic precipitators is not required during these times.

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

326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating)

Units 1, 2 and 3 are each subject to the requirements of 326 IAC 6-2-3 because each boiler was constructed prior to September 21, 1983. Pursuant to 326 IAC 6-2-3, the particulate matter (PM) emissions from Units 1, 2 and 3 shall not exceed the pound per million Btu limit calculated using the following equation:

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

Unit 1

Where C = 50 u/m^3
Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)
Q = total source maximum operating capacity rating (Q = 477 MMBtu/hr)
N = number of stacks (N = 1)
a = plume rise factor (a = 0.67)
h = stack height (h = 249 ft)

Unit 2

Where C = 50 u/m^3
Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)
Q = total source maximum operating capacity rating (Q = 1508 MMBtu/hr)
N = number of stacks (N = 1)
a = plume rise factor (a = 0.8)
h = stack height (h (stack 2) = 276 ft; stack 3 = 499ft)

Unit 3

Where C = 50 u/m^3
Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBtu)
Q = total source maximum operating capacity rating (Q = 4197 MMBtu/hr)
N = number of stacks (N = 1)
a = plume rise factor (a = 0.8)
h = stack height (h = 499 ft)

Pt is equal to 1.07 lb/MMBtu for Unit 1. However, pursuant to 326 IAC 6-2-3(d), particulate emissions shall in no case exceed 0.8 lb per MMBtu. Therefore, the particulate matter emissions from Unit 1 shall not exceed 0.8 lb per MMBtu.

Pt is equal to 0.6 lb/MMBtu for Unit 2 when exhausting to the bypass stack 2. Pt is equal to 1.08 lb/MMBtu for Unit 2 when exhausting to the main stack 3. However, pursuant to 326 IAC 6-2-3(d), particulate emissions shall in no case exceed 0.8 lb per MMBtu. Therefore, the particulate matter emissions from Unit 2 shall not exceed 0.6 lb per MMBtu when exhausting to bypass stack 2, and shall not exceed 0.8 lb/MMBtu when exhausting to main stack 3.

Pt is equal to 0.5 lb/MMBtu for Unit 3. Therefore, the particulate matter emissions from Unit 3 shall not exceed 0.5 lb per MMBtu.

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

Units 1, 2 and 3 are not subject to the requirements of 326 IAC 6-3-2 because pursuant to 326 IAC 6-3-2(b)(1), combustion facilities for indirect heating are exempt from the rule.

326 IAC 7-1.1 (Sulfur Dioxide Emission Limitations)

Units 1, 2 and 3 each have the potential to emit greater than 25 tons per year of SO_2. However, pursuant to 326 IAC 7-1.1-2(a), the SO_2 limits listed in 326 IAC 7-1.1-2(a) and (b) shall not apply

to facilities subject to 326 IAC 7-4. Units 1, 2 and 3 are subject to the requirements of 326 IAC 7-4-10.

326 IAC 7-4-10 (Warrick County Sulfur Dioxide Emission Limitations)

(a) Pursuant to 326 IAC 7-4-10(a)(1)(A), the SO_2 emissions from Units 1 and 2 shall each not exceed 2.79 pounds per MMBtu and the SO_2 emissions from Unit 3 shall not exceed 5.41 pounds per MMBtu. Pursuant to 326 IAC 7-4-10(a)(1)(B), Unit 1 has an alternative SO_2 limit of 0.0006 pounds per MMBtu, and Unit 2 has an alternative SO_2 limit of 4.40 pounds per MMBtu.

When the Permittee elects to comply with the alternative Unit 2 SO_2 limit of 4.4 pounds per MMBtu, then the SO_2 emissions from Unit 1 shall be limited to 0.0006 pounds per MMBtu.

(b) Pursuant to 326 IAC 7-4-10(a)(1)(C), SIGECO shall notify the department and the U.S. EPA via certified mail at least fourteen (14) days prior to its intention to rely on the alternative set of limits in clause 326 IAC 7-4-10(a)(1)(B) or to switch between sets of limits listed in clauses 326 IAC 7-4-10(a)(1)(A) and (B).

(c) Pursuant to 326 IAC 7-4-10(a)(1)(D), for the purposes of 326 IAC 7-2-1(c)(1), during thirty (30) day periods in which SIGECO relies on more than one (1) set of limits contained in clauses 326 IAC 7-4-10(a)(1)(A) and (B), a separate thirty (30) day rolling weighted average for each set of limits shall be determined. Each thirty (30) day rolling weighted average shall be based on data from the previous thirty (30) operational days within the last ninety (90) days for that set of limits. If SIGECO does not operate thirty (30) days under any one (1) set of limits within the last ninety (90) days, the rolling weighted average shall be based on all operational days within the last ninety (90) days for that set of limits.

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

Units 1, 2 and 3 are not subject to the requirements of 326 IAC 8-1-6 because they were each constructed prior to January 1, 1980.

329 IAC 13 (Used Oil Management)

Units 1, 2 and 3 are subject to the requirements of 329 IAC 13 because they each combust used oil for the purpose of energy recovery.

The used oil burned in Units 1, 2 and 3 shall comply with the used oil requirements specified in 329 IAC 13 (Used Oil Management). Pursuant to 329 IAC 13-3-2 (Used Oil Specifications), used oil burned for energy recovery that is classified as off-specification used oil fuel shall comply with the provisions of 329 IAC 13-8 (Used Oil Burners Who Burn Off-specification Used Oil For Energy Recovery), including:

(a) Receipt of an EPA identification number as outlined in 329 IAC 13-8-3 (Notification),

(b) Compliance with the used oil storage requirements specified in 329 IAC 13-8-5 (Used Oil Storage), and

(c) Maintaining records pursuant to 329 IAC 13-8-6 (Tracking).

The burning of mixtures of used oil and hazardous waste that is regulated under 329 IAC 3.1 is prohibited at this source.

State Rule Applicability – Coal Handling Facilities

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

(a) Pursuant to 326 IAC 6-3-2, particulate emissions from the:

(1) Unit 1 coal handling system consisting of: coal pile transfer conveyor, coal pile hopper, coal hopper conveyor, coal transfer house and conveyor drop shall not exceed a total of 71.16 pounds per hour when operating at a process weight rate of 600 tons per hour.

(2) Unit 1 and 2 coal handling system consisting of: coal transfer house conveyor drop, coal transfer house conveyor, powerhouse coal tripper conveyor, powerhouse coal tripper conveyor bunker drop, power house coal bunkers and Unit 1 coal transfer house conveyor shall not exceed a total of 80.4 pounds per hour when operating at a process weight rate of 1240 tons per hour.

(3) Unit 2 coal handling system consisting of: coal pile hopper and coal pile hopper conveyor shall not exceed a total of 71.95 pounds per hour when operating at a process weight rate of 640 tons per hour.

(4) Unit 3 coal handling system consisting of: coal pile hopper, coal pile hopper conveyor, coal transfer house conveyor drop 1, coal transfer house conveyor, coal transfer house conveyor drop 2, powerhouse coal tripper conveyor, powerhouse coal tripper conveyor bunker drop and powerhouse coal bunker shall not exceed a total of 71.95 pounds per hour when operating at a process weight rate of 640 tons per hour.

(b) The pound per hour limitation was calculated with the following equation:

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

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

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

The enclosures shall be in place and baghouses shall operate at all times the coal handling operations (Unit 5F) are in operation, in order to comply with these limits.

326 IAC 6-4-2 (Fugitive Dust Emission Limitations)

The coal storage and handling operations are subject to the requirements of 326 IAC 6-4-2 because they are sources of fugitive dust. Pursuant to 326 IAC 6-4-2:

(a) Any coal storage and handling operation generating fugitive dust shall be in violation of this rule (326 IAC 6-4) if any of the following criteria are violated:

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

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

Where

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

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

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

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

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

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

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

Adverse weather conditions do not relieve a source from taking all reasonable measures to mitigate fugitive dust formation and transport. Failure to take reasonable measures during this period may be considered to be a deviation from this permit.

State Rule Applicability – Fly Ash Handling Facilities

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

(a) Pursuant to 326 IAC 6-3-2, the particulate emissions from the fly ash storage silo shall not exceed 57.4 pounds per hour when operating at a process weight rate of 179.9 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

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

(b) Pursuant to 326 IAC 6-3-2, the particulate emissions from the fly ash silo truck loadout station shall not exceed 35.4 pounds per hour when operating at a process weight rate of 25 tons per hour.

The pound per hour limitation was calculated with 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

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

326 IAC 6-4-2 (Fugitive Dust Emission Limitations)

The East Ash Pond and the fly ash silo truck loadout station are subject to the requirements of 326 IAC 6-4-2 because they are sources of fugitive dust. Pursuant to 326 IAC 6-4-2:

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

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

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

Where

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

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

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

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

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

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

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

Adverse weather conditions do not relieve a source from taking all reasonable measures to mitigate fugitive dust formation and transport. Failure to take reasonable measures during this period may be considered to be a deviation from this permit.

State Rule Applicability – Gypsum and Limestone Handling Facilities

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

(a) The limestone (Unit 7) and gypsum (Unit 8) handling facilities (exhausting to stacks S4 through S15) are not subject to the requirements of 326 IAC 6-3-2 because, pursuant to 326 IAC 6-3-2(c)(5), facilities subject to a more stringent 326 IAC 12 rule are exempt from 326 IAC 6-3-2. The facilities are subject to the requirements of 40 CFR Part 60, Subpart OOO, which are more stringent than the requirements of 326 IAC 6-3-2.

(b) The fugitive facilities of Unit 7 and Unit 8 are subject to the requirements of 326 IAC 6-3-2 because they are not subject to any PM limits pursuant to 40 CFR Part 60, Subpart OOO. Pursuant to 326 IAC 6-3-2, the particulate emissions from:

(1) Conveyor 1 shall not exceed 70.1 pounds per hour when operating at a process weight rate of 550 tons per hour.

(2) Conveyor 2 shall not exceed 74.7 pounds per hour when operating at a process weight rate of 800 tons per hour.

(3) Conveyors 3, 4, 5 and 6 shall each not exceed 63.0 pounds per hour when each operating at a process weight rate of 300 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

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

(c) Pursuant to 326 IAC 6-3-2, the particulate emissions from Conveyors G-1A, G-1B, G-2A and G-2B shall each not exceed 56.4 pounds per hour when each operating at a process weight rate of 50 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

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

(d) Pursuant to 326 IAC 6-3-2, the particulate emissions from the gypsum barge loadout shall not exceed 66.3 pounds per hour when operating at a process weight rate of 400 tons per hour.

The pound per hour limitation was calculated with the following equation:

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

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

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

State Rule Applicability – FGD System on Units 2 and 3

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

The wet limestone handling operations of the FGD system on Units 2 and 3 are not subject to the requirements of 326 IAC 6-3-2 because, pursuant to 326 IAC 6-3-2(c)(5), facilities subject to a more stringent 326 IAC 12 rule are exempt from 326 IAC 6-3-2. The fugitive emitting facilities are subject to the requirements of 40 CFR Part 60, Subpart OOO.

The non-fugitive facilities of the wet limestone handling operations of the FGD system on Units 2 and 3 are not subject to the requirements of 326 IAC 6-3-2 because they have the potential to emit less than 0.551 pounds of PM per hour. Pursuant to 326 IAC 6-3-2(c)(14), manufacturing processes with potential emissions less than five hundred fifty-one thousandths (0.551) pound per hour are exempt from 326 IAC 6-3-2.

326 IAC 6-4-2 (Fugitive Dust Emission Limitations)

The limestone handling operations of the FGD system on Units 2 and 3 are subject to the requirements of 326 IAC 6-4-2 because they are sources of fugitive dust. Pursuant to 326 IAC 6-4-2:

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

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

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

Where

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

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

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

Where

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

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

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

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

Adverse weather conditions do not relieve a source from taking all reasonable measures to mitigate fugitive dust formation and transport. Failure to take reasonable measures during this period may be considered to be a deviation from this permit.

State Rule Applicability – Insignificant Activities

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

The particulate from vents from ash transport systems not operated at positive pressure and coal bunker and coal scale exhausts and associated dust collector vents shall be limited by the following:

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

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

326 IAC 8-3-5 (Organic Solvent Degreasing Operations)

The insignificant degreasers are not subject to the requirements of 326 IAC 8-3 because they were constructed prior to January 1, 1980 and are located in Warrick County.

Testing Requirements

The coal (Unit 5F), fly ash (Unit 6), limestone (Unit 7) and gypsum (Unit 8) handling facilities and the FGD system on Units 2 and 3 have the potential to emit only PM/PM10. The PM/PM10 emissions from the facilities do not account for a significant portion of the source's potential to emit PM/PM10. Compliance with 40 CFR Part 60, Subpart OOO and 326 IAC 6-3-2 is expected with the use of enclosures and baghouses. Compliance monitoring of the control devices will ensure compliance with the applicable emission limitations. Therefore, no testing is required for the above mentioned facilities.

To ensure compliance with 326 IAC 6-2-3, the Permittee shall perform PM testing for Units 1 and 2 no later than twelve (12) months after the issuance of this Part 70 permit. This test shall be repeated at least once every two and a half (2.5) years following valid compliance demonstration. Testing shall be conducted utilizing methods as approved by the Commissioner and in accordance with Section C- Performance Testing.

Pursuant to Consent Decree Civil Action No. IP99-1692 C-M/F, effective June 6, 2003, and to ensure compliance with 40 CFR Part 60, Subpart D, the Permittee shall perform PM testing for Unit 3 no later than December 31, 2005. This test shall be repeated at least once every two (2.0) years following valid compliance demonstration. Testing shall be conducted utilizing methods approved by the Commissioner and in accordance with Section C - Performance Testing.

Opacity, SO_2 and NO_x testing of Units 1 through 3 is not required because the boilers operate continuous emission monitors (CEMS).

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also in Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the approporiate corrective actions within a specific time period.

The compliance monitoring requirements applicable to this source are as follows:

1. Boilers 1, 2 and 3 have applicable compliance monitoring conditions as specified below:

   (a) The ability of the ESP to control particulate emissions shall be monitored once per shift, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the transformer-rectifier (T-R) sets.

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

   (c) In the event of opacity from Unit 1 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, adjustment of flue gas conditioning rate, and ESP T-R sets being returned to service.

   (d) In the event of opacity from Unit 2 or Unit 3 exceeding thirty percent (30%) average opacity for three (3) consecutive six (6) minute averaging periods, appropriate response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports such that the cause(s) of the excursion are identified and corrected and opacity levels are brought back below thirty percent (30%). Examples of expected response steps include, but are not limited to, boiler loads being reduced, adjustment of flue gas conditioning rate, and ESP T-R sets being returned to service.

   (e) Opacity readings in excess of thirty-five percent (35%) but not exceeding the opacity limit for the Unit 1 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.

   (f) Opacity readings in excess of thirty percent (30%) but not exceeding the opacity limit for the Unit 2 or Unit 3 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.

(g) Whenever the SO_2 continuous emission monitoring (CEM) system on Unit 1 is malfunctioning or down for repairs or adjustments, the following shall be used to provide information related to SO_2 emissions:

(1) If the CEM system is down for less than eight (8) hours, the Permittee shall substitute an average of the quality-assured data from the hour immediately before and the hour immediately after the missing data period for each hour of missing data.

(2) If the CEM system is down for eight (8) hours or more, fuel sampling shall be conducted as specified in 326 IAC 3-7-2(a) or (b), except that all samples shall be collected after the bunker. Fuel sample preparation and analysis shall be conducted as specified in 326 IAC 3-7-2(c), 326 IAC 3-7-2(d), and 326 IAC 3-7-2(e). Pursuant to 326 IAC 3-7-3, manual or other non-ASTM automatic sampling and analysis procedures may be used upon a demonstration, submitted to the department for approval that such procedures provide sulfur dioxide emission estimates representative either of estimates based on coal sampling and analysis procedures specified in 326 IAC 3-7-2 or of continuous emissions monitoring.

(h) Whenever the SO_2 continuous emission monitoring system on Unit 2 or Unit 3 is malfunctioning or down for repairs or adjustments, the Permittee shall monitor and record boiler load, recirculation pH, slurry feed rate, and number of recirculation pumps in service, to demonstrate that the operation of the scrubber continues in a manner typical for the boiler load and sulfur content of the coal fired. Scrubber parametric monitoring readings shall be recorded at least once per hour until the primary CEM or a backup CEM is brought online.

These monitoring conditions are necessary because the electrostatic precipitator and scrubber for Units 1, 2 and 3 must operate properly to ensure compliance with 326 IAC 6-2-3 and 326 IAC 7-4.

2. The coal handling facilities (Unit 5F) have applicable compliance monitoring conditions as specified below:

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

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of 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.

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

(d) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(e) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

These monitoring conditions are necessary to ensure compliance with 326 IAC 6-3-2.

3. The flyash (Unit 6) handling facilities have applicable compliance monitoring conditions as specified below:

(a) Visible emission notations of the East Ash Pond and fly ash silo truck loadout station shall be performed at least once per day during normal daylight operations. A trained employee shall record whether emissions are normal or abnormal.

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

(c) 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.

(d) If abnormal visible emissions of ash are observed from the ash storage pond area and fly ash silo truck loadout station, 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) 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.

These monitoring conditions are necessary to ensure compliance with 326 IAC 6-3-2 and 326 IAC 6-4-2.

4. The limestone (Unit 7) and gypsum (Unit 8) handling facilities have applicable compliance monitoring conditions as specified below:

(a) Visible emission notations of the fabric filters (baghouses) and enclosure stack exhausts (S4 through S15) shall be performed once per shift during normal daylight operations when the limestone and gypsum handling facilities of Unit 7 and Unit 8 are in operation. A trained employee shall record whether emissions are normal or abnormal.

(b) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of an abnormal emission that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

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

(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.

(f) The Permittee shall record the total static pressure drop across each of the baghouses used in conjunction with the gypsum and limestone handling facilities of Unit 7 and Unit 8 at least once per shift when the facilities are in operation. When for any one reading, the pressure drop across the baghouse is outside the normal range of 5.0 and 12.0 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.

(g) 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.

(h) An inspection shall be performed each calendar quarter of all bags controlling particulate emissions from the gypsum and limestone handling facilities of Unit 7. Inspections required by this condition shall not be performed in consecutive months. All defective bags shall be replaced.

(i) 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.

(j) In the event that bag failure has been observed for single compartment baghouses, if failure is indicated by a significant drop in the baghouse's pressure readings with abnormal visible emissions or the failure is indicated by an opacity violation, or if bag failure is determined by other means, such as gas temperatures, flow rates, air infiltration, leaks, dust traces or triboflows, then failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

These monitoring conditions are necessary because the baghouses and enclosure must operate properly to ensure compliance with 40 CFR Part 60, Subpart OOO.

5. The FGD system on Units 2 and 3 has applicable compliance monitoring conditions as specified below:

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

(b) If abnormal visible emissions are observed at any baghouse, 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.

(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, not counting startup or shut down time.

(d) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(e) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

These monitoring conditions are necessary to ensure compliance with 40 CFR Part 60, Subpart OOO and 326 IAC 6-4-2.

Conclusion

The operation of this electric generation plant shall be subject to the conditions of this Part 70 permit T173-6885-00001.

Appendix A: Emissions Calculations
Coal/Natural Gas fired boiler
Unit 1

Company Name: **Southern Indiana Gas and Electric Company (SIGECO)**
Address City IN Zip: **F.B. Culley Station, County Road 350W and Old Highway 66, Yankeetown, Indiana 47630**
Permit Number: **T173-6885-00001**
Plt ID: **173-00001**
Reviewer: **ERG/AO**
Date: **2/24/2004**

Heat Input Capacity	Coal Heating Value	Potential Coal Throughput	Potential Throughput Gas (HIC*8.76)	Control Efficiency ESP
MMBtu/hr	Btu/lb	ton/yr	MMCF/yr	
477.0	10,973	190,400	4178.5	97.6%

For Coal Combustion Emission Factor in lb/ton	PM 97.80 *(10A)*	PM10 22.49 *(2.3A)*	SO2 55.5 *(38S)*	NOx 22.0	VOC 0.06	CO 0.5
Uncontrolled Potential to Emit (ton/yr)	9,311	2,141	5,282	2,094	5.7	47.6
Controlled Potential to Emit (ton/yr)	223	51	5,282	2,094	5.7	47.6

For Natural Gas Combustion Emission Factor in lb/MMCF	PM 7.6	PM10 7.6	SO2 0.6	NOx* 100.0	VOC 5.5	CO 84.0
Uncontrolled Potential to Emit (ton/yr)	15.9	15.9	1.3	208.9	11.5	175.5
Controlled Potential to Emit (ton/yr)	0.38	0.38	1.25	208.93	11.49	175.50

Methodology

*NG Fired Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32
Coal Emission Factors are from AP 42, Chapter 1.1, Tables 1.1-3, 1.1-4.
Potential Throughput (ton/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/lb) / 2000 lb/ton
Potential Throughput (MMCF/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu
Emission (ton/yr) = Throughput x Emission Factor / 2,000 lb/ton

Appendix A: Emissions Calculations
Coal/Natural Gas fired boiler
Unit 1

Company Name: **Southern Indiana Gas and Electric Company (SIGECO)**
Address City IN Zip: **F.B. Culley Station, County Road 350W and Old Highway 66, Yankeetown, Indiana 47630**
Permit Number: **T173-6885-00001**
Plt ID: **173-00001**
Reviewer: **ERG/AO**
Date: **2/24/2004**

HAPs - Organics

	HCl	HF	Benzene	Cyanide	PCDD/ PCDF
Emission Factor in lb/ton of coal	1.2	0.15	0.0013	0.0025	2.44E-07
Potential to Emit in tons/yr	114	14	0.12	0.24	2.32E-05

HAPs - Metals

	Selenium	Cadmium	Chromium	Manganese	Nickel	Beryllium	Arsenic	Lead
Emission Factor in lb/ton of coal	1.3E-03	5.1E-05	2.6E-04	4.9E-04	2.8E-04	2.10E-05	4.10E-04	4.20E-04
Potential Emission in tons/yr	1.2E-01	4.9E-03	2.5E-02	4.7E-02	2.7E-02	2.0E-03	3.9E-02	4.0E-02

Note that HAP emissions from natural gas combustion are negligible.

Appendix A: Emissions Calculations
Coal/Natural Gas fired boiler
Unit 2

Company Name: Southern Indiana Gas and Electric Company (SIGECO)
Address City IN Zip: F.B. Culley Station, County Road 350W and Old Highway 66, Yankeetown, Indiana 47630
Permit Number: T173-6885-00001
Plt ID: 173-00001
Reviewer: ERG/AO
Date: 2/24/2004

Heat Input Capacity	Coal Heating Value	Potential Coal Throughput	Potential Throughput Gas (HIC*8 .76)	Control Efficiency ESP	Control Efficiency Scrubber
MMBtu/hr	Btu/lb	ton/yr	MMCF/yr		
1,031	11,256	401,189	9031.6	99.3%	95%

For Coal Combustion Emission Factor in lb/ton	PM 92.60 *(10A)*	PM10 21.30 *(2.3A)*	SO2 108.3 *(38S)*	NOx 11.0	VOC 0.06	CO 0.5
Uncontrolled Potential to Emit (ton/yr)	18,575	4,272	21,724	2,207	12	100
Controlled Potential to Emit (ton/yr)	130	30	1,086	2,207	12	100

For Natural Gas Combustion Emission Factor in lb/MMCF	PM 7.6	PM10 7.6	SO2 0.6	NOx* 100.0	VOC 5.5	CO 84.0
Uncontrolled Potential to Emit (ton/yr)	34.3	34.3	2.7	451.6	24.8	379.3
Controlled Potential to Emit (ton/yr)	0.24	0.24	0.14	451.6	24.8	379.3

Methodology

*NG Fired Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32
Coal Emission Factors are from AP 42, Chapter 1.1, Tables 1.1-3, 1.1-4.
Potential Throughput (ton/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/lb) / 2000 lb/ton
Potential Throughput (MMCF/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu
Emission (ton/yr) = Throughput x Emission Factor / 2,000 lb/ton

Appendix A: Emissions Calculations
Coal/Natural Gas fired boiler
Unit 2

Company Name: Southern Indiana Gas and Electric Company (SIGECO)
Address City IN Zip: F.B. Culley Station, County Road 350W and Old Highway 66, Yankeetown, Indiana 47630
Permit Number: T173-6885-00001
Plt ID: 173-00001
Reviewer: ERG/AO
Date: 2/24/2004

HAPs - Organics

	HCl	HF	Benzene	Cyanide	PCDD/ PCDF
Emission Factor in lb/ton of coal	1.2	0.15	0.0013	0.0025	2.44E-07
Potential to Emit in tons/yr	241	30	0.26	0.50	4.89E-05

HAPs - Metals

	Selenium	Cadmium	Chromium	Manganese	Nickel	Beryllium	Arsenic	Lead
Emission Factor in lb/ton of coal	1.3E-03	5.1E-05	2.6E-04	4.9E-04	2.8E-04	2.10E-05	4.10E-04	4.20E-04
Potential Emission in tons/yr	2.6E-01	1.0E-02	5.2E-02	9.8E-02	5.6E-02	4.2E-03	8.2E-02	8.4E-02

Note that HAP emissions from natural gas combustion are negligible.

Appendix A: Emissions Calculations
Coal/Natural Gas fired boiler
Unit 3

Company Name: Southern Indiana Gas and Electric Company (SIGECO)
Address City IN Zip: F.B. Culley Station, County Road 350W and Old Highway 66, Yankeetown, Indiana 47630
Permit Number: T173-6885-00001
Plt ID: 173-00001
Reviewer: ERG/AO
Date: 2/24/2004

Heat Input Capacity	Coal Heating Value	Potential Coal Throughput	Potential Throughput Gas (HIC*8 .76)	Control Efficiency ESP	Control Efficiency Scrubber
MMBtu/hr	Btu/lb	ton/yr	MMCF/yr		
2,525	11,038	1,001,948	22119.0	99%	95%

For Coal Combustion Emission Factor in lb/ton	PM 97.30 *(10A)*	PM10 22.38 *(2.3A)*	SO2 121.6 *(38S)*	NOx 12.0	VOC 0.06	CO 0.5
Uncontrolled Potential to Emit (ton/yr)	48,745	11,211	60,918	6,012	30	250
Controlled Potential to Emit (ton/yr)	487	112	3,046	6,012	30	250

For Natural Gas Combustion Emission Factor in lb/MMCF	PM 7.6	PM10 7.6	SO2 0.6	NOx* 100.0	VOC 5.5	CO 84.0
Uncontrolled Potential to Emit (ton/yr)	84.1	84.1	6.6	1106.0	60.8	929.0
Controlled Potential to Emit (ton/yr)	0.84	0.84	0.33	1,106.0	60.8	929.0

Methodology

*NG Fired Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32
Coal Emission Factors are from AP 42, Chapter 1.1, Tables 1.1-3, 1.1-4.
Potential Throughput (ton/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 10^6 Btu/MMBtu / Heating Value (Btu/lb) / 2000 lb/ton
Potential Throughput (MMCF/yr) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu
Emission (ton/yr) = Throughput x Emission Factor / 2,000 lb/ton

Appendix A: Emissions Calculations
Coal/Natural Gas fired boiler
Unit 3

Company Name: Southern Indiana Gas and Electric Company (SIGECO)
Address City IN Zip: F.B. Culley Station, County Road 350W and Old Highway 66, Yankeetown, Indiana 47630
Permit Number: T173-6885-00001
Plt ID: 173-00001
Reviewer: ERG/AO
Date: 2/24/2004

HAPs - Organics

	HCl	HF	Benzene	Cyanide	PCDD/ PCDF
Emission Factor in lb/ton of coal	1.2	0.15	0.0013	0.0025	2.44E-07
Potential to Emit in tons/yr	601	75	0.65	1.25	1.22E-04

HAPs - Metals

	Selenium	Cadmium	Chromium	Manganese	Nickel	Beryllium	Arsenic	Lead
Emission Factor in lb/ton of coal	1.3E-03	5.1E-05	2.6E-04	4.9E-04	2.8E-04	2.10E-05	4.10E-04	4.20E-04
Potential Emission in tons/yr	6.5E-01	2.6E-02	1.3E-01	2.5E-01	1.4E-01	1.1E-02	2.1E-01	2.1E-01

Note that HAP emissions from natural gas combustion are negligible.

Phase II
Acid Rain Permit

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Source: **F.B. Culley Generating Station**
Address: **County Road 350 West & Old Highway 66, Yankeetown, IN 47741**
Operated by: **Southern Indiana Gas & Electric Company**
ORIS Code: **01012**
Effective: **January 1, 2000 through December 31, 2004**

the above corporation is hereby authorized to operate subject to the conditions contained herein, these facilities:
Units 01012-1, 01012-2, and 01012-3.

Operation Permit No.: AR 173-5154-00001	
Issued by: Felicia R. George, Assistant Commissioner Office of Air Management	Issuance Date: Expiration Date:

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1) Statement of Basis

Statutory and Regulatory Authorities: In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1, and IC 13-17-8-2 as well as Titles IV and V of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

2) Standard Requirements

Permit Requirements [326 IAC 21]

(a) The designated representative of each affected source and each affected unit at the source shall:

(1) Submit a complete Acid Rain Permit application, by submitting a sulfur dioxide application and compliance plan in accordance with the deadlines in 40 CFR 72.30; and

(2) Submit in a timely manner any supplemental information that IDEM, OAM determines is necessary in order to review an Acid Rain Permit application or an Acid Rain portion of an operation permit application and issue or deny an Acid Rain Permit;

Information required by (1) and (2) above shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

(b) The owners and operators of each affected source and each affected unit at the source shall:

(1) Operate the unit in compliance with a complete Acid Rain Permit application or a superseding Acid Rain Permit issued by the IDEM, OAM.

Monitoring Requirements [326 IAC 21]

(a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 74, 75, and 76**.**

(b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 76 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

(c) The requirements of 40 CFR 74 and 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements [326 IAC 21]

(a) The owners and operators of each source and each affected unit at the source shall:

(1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 73.35), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

(b) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.

(c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:

(1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2);or

(2) Starting on the latter of January 1, 2000 or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).

(d) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

(e) An allowance shall not be deducted in order to comply with the requirements under paragraph (a)(1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.

(f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain Permit application, the Acid Rain Permit, the Acid Rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(g) An allowance allocated by U.S. EPA under the Acid Rain Program does not constitute a property right.

(h) No permit revision may be required for increases in emissions that are authorized by allowances acquired pursuant to the Acid Rain Program, provided that the increases do not require a permit revision under any other applicable requirement. [326 IAC 2-7-5(4)(A)].

(i) No limit shall be placed on the number of allowances held by an affected source. A affected source may not, however, use allowances as a defense to noncompliance with any applicable requirement other than the requirements of the Acid Rain Program. [326 IAC 2-7-5(4)(B)]

(j) Sulfur dioxide allowances shall be allocated to each unit at the source as follows:

SO_2 Allowance Allocations for Unit 01012-1
(1) 2000 - 820*
(2) 2001 - 820*
(3) 2002 - 820*
(4) 2003 - 820*
(5) 2004 - 820*

SO_2 Allowances for Unit 01012-2
(1) 2000 - 1,744*
(2) 2001 - 1,744*
(3) 2002 - 1,744*
(4) 2003 - 1,744*
(5) 2004 - 1,744*

SO_2 Allowances for Unit 01012-3
(1) 2000 - 7,259*
(2) 2001 - 7,259*
(3) 2002 - 7,259*
(4) 2003 - 7,259*
(5) 2004 - 7,259*

*The number of allowances allocated to Phase II affected units by U.S. EPA may change in a revision to 40 CFR 73 Tables 2, 3, and 4 and 326 IAC 21. In addition, the number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. Neither of the aforementioned conditions necessitate a revision to the unit SO_2 allowance allocations identified in this permit (See 40 CFR 72.84).

Nitrogen Oxides Requirements [326 IAC 21]

(a) The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides (NO_x).

(b) The designated representative shall submit a timely and complete permit application and compliance plan for NO_x emissions for each Phase II affected unit at the source to IDEM, OAM and U.S.EPA by January 1, 1998, in accordance with 40 CFR 76.9.

The designated representative shall submit required information to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015

Indianapolis, Indiana 46206-6015

and

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Phase II NO_x
401 M Street, SW
Washington, DC 20460

(c) After receipt of the required information, IDEM, OAM will reopen and revise the Acid Rain portion of the source's operating permit to add Acid Rain Program NO_x requirements, in accordance with 40 CFR 76.

(d) The reopening in (c) shall not affect the term of the acid rain portion of the source's operating permit. [40 CFR 72.85(d)]

(e) Upon application by a source and approval by the Commissioner, an Alternative Emissions Limit (AELs) may be granted to a unit in accordance with 40 CFR 76.10.

Excess Emissions Requirements [326 IAC 21]

(a) The designated representative of an affected unit that has excess emissions of sulfur dioxide in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAM as required under 40 CFR 77 and 326 IAC 21.

The designated representative shall submit required information to:

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

and

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Annual Reconciliation
401 M Street, SW
Washington, DC 20460

(b) The owners and operators of an affected unit that has excess emissions in any calendar year shall:

(1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and

(2) Comply with the terms of an approved offset plan, as required by 40 CFR 77

and 326 IAC 21.

Record Keeping and Reporting Requirements [326 IAC 21]

(a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by U.S. EPA or IDEM, OAM:

(1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;

(2) All emissions monitoring information collected shall be retained on site for 3 years in accordance with 40 CFR 75.54;

(3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and

(4) Copies of all documents used to complete an Acid Rain Permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21.

Submit required information to the appropriate authority(ies) as specified in 40 CFR 72.90 subpart I and 40 CFR 75.

Submissions [326 IAC 21]

(a) The designated representative shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA in accordance with 40 CFR 72 and 326 IAC 21.

The designated representative shall submit required information to:

U.S. Environmental Protection Agency
Acid Rain Program (6204J)
Attn.: Designated Representative
401 M Street, SW
Washington, DC 20460

(b) Each submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.

(c) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature:

(1) The following statement, which shall be included verbatim in the submission: "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made." and

(2) The following statement which shall be included verbatim in the submission: "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."

(d) The designated representative of a source shall serve notice on each owner and operator of the source and of an affected unit at the source:

(1) By the date of submission, of any Acid Rain Program submissions by the designated representative, and

(2) Within 10 business days of receipt of a determination, of any written determination by U.S. EPA or IDEM, OAM,

(3) Provided that the submission or determination covers the source or the unit.

(e) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under condition (d) of this section, unless the owner or operator expressly waives the right to receive a copy.

Severability [326 IAC 21]

Invalidation of the acid rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any other portion of the operating permit affect the continuing validity of the acid rain portion of the permit. [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)].

Liability [326 IAC 21]

(a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain Permit application, an Acid Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.

(b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Clean Air Act and 18 U.S.C. 1001 and shall be subject to criminal enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.

(c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

(e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.

(f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(g) Each violation of a provision of 40 CFR 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

Effect on Other Authorities [326 IAC 21]

No provision of the Acid Rain Program, an Acid Rain Permit application, an Acid Rain Permit, an Acid Rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;

(c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;

(d) Modifying the Federal Power Act (16 USC 791a et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

(e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

Appendix B

ENVIRONMENTAL COMPLIANCE PROTOCOL
FUGITIVE DUST MANAGEMENT
SOUTHERN INDIANA GAS AND ELECTRIC COMPANY (SIGECO)
F. B. Culley Generating Station

Revised May 13, 1997

The fugitive dust emission sources affected by this protocol are:

1. Coal Piles
2. Coal Truck and Coal Pile Equipment
3. Conveyor Transfer Points
4. Entry and Access Roadways

Coal Piles

Sufficient watering will be applied in accordance with the weather and wind conditions. No visible dust should be allowed to leave the pile area. Appropriate water shall be applied for the particular weather and wind conditions at the site.

Coal Truck and Coal Pile Equipment

Roadways and work areas that these particular pieces of equipment utilize shall be kept maintained and watered so that no visible dust will be introduced into the atmosphere. Appropriate watering shall be applied for the particular weather and wind conditions at the site, as well as the presence of fugitive dust on these surfaces.

Conveyor Transfer Points

All enclosures around conveyor transfer points shall be maintained so as to prevent the escape of fugitive dust. Foam suppression systems shall be maintained to keep fugitive dust from escaping into the atmosphere. Regular inspection and maintenance of beltline baghouses shall be scheduled and carried out.

Entry and Access Roadways

All entry and access roadway shall be maintained, and if necessary, watered to prevent to prevent fugitive dust from being carried into the atmosphere. This will apply to paved roads as well as gravel. Watering will be dictated by weather and wind conditions, and the presence of fugitive dust on the surfaces of the entries and roadways.

Appendix D

ENVIRONMENTAL COMPLIANCE PROTOCOL
FUGITIVE DUST MANAGEMENT
SOUTHERN INDIANA GAS AND ELECTRIC COMPANY (SIGECO)
F. B. Culley Generating Station

Revised May 13, 1997

The fugitive dust emission sources affected by this protocol are:

1. Coal Piles
2. Coal Truck and Coal Pile Equipment
3. Conveyor Transfer Points
4. Entry and Access Roadways

Coal Piles

Sufficient watering will be applied in accordance with the weather and wind conditions. No visible dust should be allowed to leave the pile area. Appropriate water shall be applied for the particular weather and wind conditions at the site.

Coal Truck and Coal Pile Equipment

Roadways and work areas that these particular pieces of equipment utilize shall be kept maintained and watered so that no visible dust will be introduced into the atmosphere. Appropriate watering shall be applied for the particular weather and wind conditions at the site, as well as the presence of fugitive dust on these surfaces.

Conveyor Transfer Points

All enclosures around conveyor transfer points shall be maintained so as to prevent the escape of fugitive dust. Foam suppression systems shall be maintained to keep fugitive dust from escaping into the atmosphere. Regular inspection and maintenance of beltline baghouses shall be scheduled and carried out.

Entry and Access Roadways

All entry and access roadway shall be maintained, and if necessary, watered to prevent to prevent fugitive dust from being carried into the atmosphere. This will apply to paved roads as well as gravel. Watering will be dictated by weather and wind conditions, and the presence of fugitive dust on the surfaces of the entries and roadways.