



Joseph E. Kernan
Governor

Lori F. Kaplan
Commissioner

July 13, 2004

100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.in.gov/idem

TO: Interested Parties / Applicant
RE: Hoosier Energy Rural Electric Cooperative / T153-6931-00005
FROM: Paul Dubenetzky
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval – Effective Immediately

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

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

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

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

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

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

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

- (1) the name and address of the person making the request;
- (2) the interest of the person making the request;
- (3) identification of any persons represented by the person making the request;
- (4) the reasons, with particularity, for the request;
- (5) the issues, with particularity, proposed for considerations at any hearing; and

- (6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

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

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

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

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



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live.

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Indianapolis, Indiana 46206-6015
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PART 70 OPERATING PERMIT
OFFICE OF AIR QUALITY

Hoosier Energy Rural Electric Cooperative, Inc.
Merom Generating Station
State Highway 54 West
Sullivan, Indiana 47882

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

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

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

Table with permit details: Operation Permit No.: T153-6931-00005, Issued by: Janet G. McCabe, Assistant Commissioner, Office of Air Quality, Issuance Date: July 13, 2004, Expiration Date: July 13, 2009.

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Part 70 Operating Permit Certification

NO_x Budget Trading Certification

Part 70 Operating Permit Emergency Occurrence Report

Part 70 Operating Permit Quarterly Deviation and Compliance Monitoring Report

Part 70 Operating Permit Fuel Usage Quarterly Report

Appendix A: Phase II Acid Rain Permit AR 153-5061-00005, issued on December 12, 1997.

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(21)]

The Permittee owns and operates a stationary electric generating station.

Responsible Official:	Manager, Power Production
Source Address:	State Highway 54 West, Sullivan, Indiana 47882
Mailing Address:	P.O. Box 908, Bloomington, IN 47402
General Source Phone Number:	(812)876-2021
SIC Code:	4911
ORIS Code:	6213
County Location:	Sullivan
Source Location Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program Major Source, under PSD Rules 1 of 28 Source Categories Acid Rain Permit NO _x Budget Trading Program

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:

- (1) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 1 or 1SG1, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 1 can not operate at load solely using No. 2 fuel oil.

Unit 1 utilizes the following control equipment:

- Electrostatic precipitator (ESP),
- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE1B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 1 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV1) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

- (2) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 2 or 1SG2, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate

up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 2 can not operate at load solely using No. 2 fuel oil.

Unit 2 utilizes the following control equipment:

- Electrostatic precipitator (ESP),
- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE2B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 2 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV2) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

- (3) Two (2) No. 2 distillate oil-fired auxiliary boilers, constructed in 1980, each with a heat input rate of 93.0 MMBTU/hour, and exhausting to stack SV3.
- (4) A coal storage and handling system, with a maximum throughput of 4,351,419 tons per year, consisting of the following equipment:
 - (a) One (1) unloading (rotary car dumper) controlled by being partially enclosed and wet spray suppression.
 - (b) One (1) conveying system controlled by enclosures on the top and sides.
 - (c) One (1) breaker and crusher house (two crushers), with enclosed transfer points, controlled by a wet spray suppression.
 - (d) One (1) stockout system controlled by a lowering well (enclosed concrete cylinder with flapped openings at various elevations).
 - (e) One (1) reclaim system controlled by enclosures and wet spray suppression.
 - (f) One (1) outdoor storage with a capacity of 500,000 tons controlled by layering and compaction.
- (5) A limestone storage and handling system, with a maximum throughput of 259,629 tons per year consisting of the following equipment:
 - (a) One (1) truck or railcar unloading station, with two (2) hoppers, which, in turn feed two (2) vibrating feeders, with a baghouse to control emissions.
 - (b) One (1) storage pile with a storage capacity of up to 90,000 tons of limestone.
 - (c) One (1) enclosed conveying system controlled by an enclosed building with a baghouse.
 - (d) One (1) reclaim system controlled by a baghouse in an enclosed building.

- (e) One limestone crushing system (two crushers), located in the limestone preparation building. There are four (4) baghouses used to control emissions both before and after the limestone is crushed.

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):

Degreasing operations that do not exceed 145 gallons per 12 months.

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

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

- (a) It is a major source, as defined in 326 IAC 2-7-1(22).
- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability).
- (c) It is an affected source under Title IV (Acid Deposition Control) of the Clean Air Act, as defined in 326 IAC 2-7-1(3).

SECTION B GENERAL CONDITIONS

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

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]

- (a) This permit 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.
- (b) Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date.

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 can 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.
- (b) The initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year.
- (c) 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, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

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

- (b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
 - (1) The appropriate identification of each term or condition of this permit that is the basis of the certification;
 - (2) The compliance status;
 - (3) Whether compliance was continuous or intermittent;
 - (4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3); and

(5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ, may require to determine the compliance status of the source.

(d) 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) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, including the following information on each facility:

(1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;

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

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

(b) If, 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, P. O. Box 6015
Indianapolis, Indiana 46206-6015

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

(d) 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.

(e) 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.

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

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

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

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:
- (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;
 - (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

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

- (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, P. O. Box 6015
Indianapolis, Indiana 46206-6015

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) 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.
- (b) The permit shield provides that compliance with the conditions of this permit shall be deemed in 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.
- (c) The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a Part 70 permit under 326 IAC 2-7 or for applicable requirements for which a permit shield has been granted.
- (d) 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.
- (e) 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.

- (f) 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.
- (g) 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.
- (h) 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).
- (i) 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)]
- (j) 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]

- (a) All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either
 - (1) incorporated as originally stated,
 - (2) revised, or
 - (3) deletedby this permit.
- (b) All previous registrations and permits are superseded by this permit.

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, P.O. Box 6015
Indianapolis, Indiana 46206-6015

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

- (b) 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.
- (c) The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) 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)]
- (b) The notification by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) 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)]
- (d) 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)]
- (e) 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 2-7-4]

- (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, P.O. Box 6015
Indianapolis, Indiana 46206-6015

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

B.17 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12]

- (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) 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, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application shall be certified 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)]
- (d) No permit amendment or modification is required for the addition, operation or removal of a nonroad engine, as defined in 40 CFR 89.2.

B.18 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.19 Operational Flexibility [326 IAC 2-7-20] [326 IAC 2-7-10.5]

- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b), (c), or (e), without a prior permit revision, if each of the following conditions is met:
 - (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
 - (2) Any preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;
 - (3) The changes do not result in emissions which exceed the emissions allowable under this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
 - (4) The Permittee notifies the:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

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 which document, on a rolling five (5) year basis, all such changes and emissions trading that are subject to 326 IAC 2-7-20(b), (c), or (e) and makes 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 increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).

The notification requirement per (a)(4) of this condition does not apply to emission trades of SO₂ or NO_x under 326 IAC 21 or 326 IAC 10-4.

- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]

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

B.20 Source Modification Requirement [326 IAC 2-7-10.5]

A modification, construction, or reconstruction is governed by the requirements of 326 IAC 2 and 326 IAC 2-7-10.5.

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 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 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 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 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, P.O. Box 6015
Indianapolis, Indiana 46206-6015

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

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

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

- (a) The Permittee shall pay annual fees to IDEM, OAQ, within thirty (30) calendar days of

receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ, the applicable fee is due April 1 of each year.

- (b) Except as provided in 326 IAC 2-7-19(e), failure to pay may result in administrative enforcement action or revocation of this permit.
- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, [Billing, Licensing, and Training Section](#)), to determine the appropriate permit fee.

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

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.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

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

C.1 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.2 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.3 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.4 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).

326 IAC 6-4-2(4) is not federally enforceable.

C.5 Operation of Equipment [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule, or in this permit, all air pollution control equipment listed in this permit and used to comply with an applicable requirement shall be operated at all times that the emission unit(s) vented to the control equipment is (are) in operation.

C.6 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.7 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.8 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, P. O. Box 6015
Indianapolis, Indiana 46206-6015

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, not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the source 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.9 Compliance Requirements [326 IAC 2-1.1-11]

- (a) 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.
- (b) 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.10 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) 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, P. O. Box 6015
Indianapolis, Indiana 46206-6015

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.11 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.12 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 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.
- (b) The Permittee may request the IDEM, OAQ approve the use of a pressure gauge or other instrument that does not meet the above specifications provided the Permittee can demonstrate an alternative pressure gauge or other instrument specification will adequately ensure compliance with permit conditions requiring the measurement of pressure drop or other parameters.

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

C.13 Emergency Reduction Plans (ERPs) [326 IAC 1-5-2] [326 IAC 1-5-3]

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

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

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

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

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

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

C.14 Risk Management Plan (RMP) [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.15 Compliance Response Plan - Preparation, Implementation, Records, and Reports [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 the 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 60 or 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, upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and comprised of:

- (1) Reasonable response steps that may be implemented in the event that a response step is needed pursuant to the requirements of Section D of this permit; and an expected timeframe for taking reasonable response steps.
- (2) If, at any time, the Permittee takes reasonable response steps that are not set forth in the Permittee's current Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and

Start-up, Shutdown, and Malfunction (SSM) Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan to include such response steps taken.

- (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 deviation of 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.

**C.16 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.17 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

- (a) The Permittee shall submit an emission statement 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 meet the following requirements:**
 - (1) Indicate estimated actual emissions of criteria 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 purposes of Part 70 fee assessment.

The emission statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

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

- (a) Records of all required monitoring data, reports and support information required by this Permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be physically present or electronically accessible at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the 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.19 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11]

- (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, P. O. Box 6015
Indianapolis, Indiana 46206-6015
- (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.

Ambient Monitoring Requirements [326 IAC 7-3]

C.20 Sulfur Dioxide (SO₂) Ambient Monitoring [326 IAC 7-3]

- (a) Pursuant to 326 IAC 7-3-2(a), the Permittee shall operate continuous ambient SO₂ air quality monitors and a meteorological data acquisition according to a monitoring plan submitted to the Commissioner for approval. The monitoring plan shall include requirements listed in 326 IAC 7-3-2(a)(1), 326 IAC 7-3-2(a)(2) and 326 IAC 7-3-2(a)(3).
- (b) The Permittee has submitted a monitoring plan as required under 326 IAC 7-3-2(b).
- (c) Pursuant to 326 IAC 7-3-2(c), 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.
- (d) Pursuant to 326 IAC 7-3-2(d), the Permittee may petition the Commissioner for an administrative waiver of all or some of the requirements of 326 IAC 7-3 if the Permittee 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.
- (e) Pursuant to 326 IAC 7-3-2(a)(2), the Permittee shall report the air quality and meteorological data in a format specified by the Commissioner, within ninety (90) days after the end of each calendar quarter.

Stratospheric Ozone Protection

C.21 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.

Part 2 MACT Application Submittal Requirement

C.22 Application Requirements for Section 112(j) of the Clean Air Act [40 CFR 63.52(e)] [40 CFR 63.56(a)] [40 CFR 63.9(b)] [326 IAC 2-7-12]

- (a) The Permittee shall submit a Part 2 **Maximum Achievable Control Technology** (MACT) Application in accordance with 40 CFR 63.52(e)(1). The Part 2 MACT Application shall meet the requirements of 40 CFR 63.53(b).
- (b) Notwithstanding paragraph (a), the Permittee is not required to submit a Part 2 MACT Application if the Permittee no longer meets the applicability criteria of 40 CFR 63.50 by the application deadline in 40 CFR 63.52(e)(1).

For example, the Permittee would not have to submit a Part 2 MACT Application if, by the application deadline:

- (1) The source is no longer a major source of hazardous air pollutants, as defined in 40 CFR 63.2;
 - (2) The source no longer includes one or more units in an affected source category for which the U.S. EPA failed to promulgate an emission standard by May 15, 2002; or
 - (3) The MACT standard or standards for the affected source categories included at the source are promulgated.
- (c) Notwithstanding paragraph (a), pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The initial notification shall be submitted to:

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

and

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

SECTION D.1 FACILITY OPERATION CONDITIONS

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

- (1) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 1 or 1SG1, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 1 can not operate at load solely using No. 2 fuel oil.

Unit 1 utilizes the following control equipment:

- Electrostatic precipitator (ESP),
- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE1B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 1 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV1) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

- (2) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 2 or 1SG2, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 2 can not operate at load solely using No. 2 fuel oil.

Unit 2 utilizes the following control equipment:

- Electrostatic precipitator (ESP),
- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE2B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 2 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV2) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

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

[40 CFR Part 60, Subpart A]

- (a) General Provision
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 D.
- (b) Particulate Matter (PM) Emissions
Pursuant to 40 CFR 60.42(a)(1), the particulate emissions from Unit 1 and Unit 2 shall not exceed 0.10 pounds of PM per MMBTU.
- (c) Opacity
Pursuant to 40 CFR 60.42(a)(2), the opacity from Unit 1 and Unit 2 shall not exceed 20% opacity, except for one six-minute period per hour of not more than twenty-seven percent (27%) opacity.
- (d) Sulfur Dioxide (SO₂) Emissions
Pursuant to 40 CFR 60.43(a)(2), the SO₂ emissions from Unit 1 and Unit 2 shall not exceed 1.2 pounds of SO₂ per MMBTU.
- (e) Nitrogen Oxides (NO_x) Emissions
Pursuant to 40 CFR 60.44(a)(3), the NO_x emissions from Unit 1 and Unit 2 shall not exceed 0.70 pounds of NO_x per MMBTU.

D.1.2 Temporary Alternative Opacity Limitations (TAOLs) - - Unit 1 and Unit 2 [326 IAC 5-1-3]

- (a) Pursuant to 326 IAC 5-1-13(d) and (e), the Permittee shall comply with the following:
 - (i) During startup periods of Unit 1 or Unit 2, the plume opacity may exceed 20%,
 - for a period of up to 4 hours or
 - until the flue gas temperature entering the electrostatic precipitator reaches 250^oF, whichever occurs first.
 - (ii) During shutdown periods of Unit 1 or Unit 2, the plume opacity may exceed 20% for a period of up to 4 hours.
- (b) Operation of the electrostatic precipitator is not required during these times unless necessary to comply with these limits.
- (c) Within eighteen (18) months of the issuance of this permit, the Permittee shall implement one or any combination of the following options in order to comply with the TAOL during startup and shutdown periods:
 - the improvements made on the existing igniters,
 - early energization of the electrostatic precipitators (ESPs),
 - the installation and use of natural gas (smokeless) igniters, and/or
 - any installation and improvements that the Permittee deemed necessary in order to ensure compliance.

All applicable new source review requirements will be followed and satisfied prior to installation of new burners. There will be no change in the limit if natural gas burners are installed.

- (d) The need for revised temporary alternative opacity limits (TAOLs) during periods of startup and shutdown will be assessed upon renewal of this permit.

D.1.3 Temporary Alternative Opacity Limitations (TAOLs) - - Ash Removal [326 IAC 5-1-3]

- (a) Pursuant to 326 IAC 5-1-3(b), when removing ashes from the fuel bed or furnace in a boiler or blowing tubes, opacity may exceed the applicable limit established in 326 IAC 5-1-2 and stated in Section C - Opacity.
- (b) 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 periods in any sixty (60) minute period.
- (c) The averaging periods shall not be permitted for more than three (3) six (6)-minute averaging periods in a twelve (12) hour period.

D.1.4 Sulfur Dioxide (SO₂) Limitation [326 IAC 7-4-7]

Pursuant to 326 IAC 7-4-7 (Sullivan County Sulfur Dioxide (SO₂) Emissions Limitations), SO₂ emissions from Unit 1 and Unit 2 shall not exceed 1.2 pounds per MMBTU for each unit, based on a 30-day rolling average.

D.1.5 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]

- (a) All coal burned, including coal treated with any additive, shall meet the ASTM definition of coal.
- (b) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in these facilities. Any boiler tube chemical cleaning waste liquids, binding agent, or used oil combusted shall meet the toxicity characteristic requirements for non-hazardous waste.
- (c) Any boiler tube chemical cleaning waste liquids fired in the boiler shall only contain the cleaning solution and two full volume boiler rinses.
- (d) The Permittee shall use appropriate test methods as listed in 40 CFR Part 261 to analyze all boiler chemical cleaning wastes that will be burned, to determine compliance with the Operation Standards condition in this D section.

D.1.6 Preventive Maintenance Plan (PMP) [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 any emission control devices.
- (b) The PMP for an electrostatic precipitator (ESP) shall include the following inspections, performed according to the indicated schedules:
 - (i) Plate and electrode alignment, every major maintenance outage, but no less than every 2 years;
 - (ii) 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, **unless the ESP is not so equipped**, the following inspections shall be performed:

- (A) Internal inspection of shell corrosion (i.e., doors, hatches, insulator housings, roof area).
 - (B) Effectiveness of rapping (i.e., buildup of dust on distribution plates and turning vanes).
 - (C) Gas Distribution (i.e., buildup of dust on shell and support members that could result in grounds or promote advanced corrosion).
 - (D) Dust accumulation (i.e., buildup of dust on shell and support members that could result in grounds or promote advanced corrosion).
 - (E) Major misalignment of plates (i.e., visual check of plate alignment).
 - (F) Rapper, vibrator and TR set control cabinets (motors, lubrication, etc.).
 - (G) Rapper assembly (i.e., loose bolts, ground wires, water in air lines, solenoids, etc.).
 - (H) Vibrator and rapper seals (i.e., air in-leakage, wear, deterioration).
 - (I) TR set controllers (i.e., low voltage trip point, over current trip point, spark rate, etc.).
 - (J) Vibrator air pressure settings.
- (iii) 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.
- (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.

Compliance Determination Requirements

D.1.7 Testing Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-6(6)] [326 IAC 2-1.1-11]

- (a) Within the two (2) calendar years following the most recent valid stack test, compliance with the PM limitation shall be determined by a performance stack test using methods as approved by the commissioner.
- (b) This test shall be repeated at least once every two (2) calendar years following the date of the most recent valid compliance demonstration.
- (c) Testing shall be conducted in accordance with Section C - Performance Testing.

D.1.8 Continuous Emissions Monitoring [326 IAC 3-5] [326 IAC 12] [40 CFR 60, Subpart D]

- (a) Continuous Opacity Monitor (COM)
Pursuant to 326 IAC 3-5, and 40 CFR Part 60, Subpart D, a continuous opacity monitor (COM) system and related equipment for Unit 1 and Unit 2 shall be calibrated, maintained, and operated for measuring opacity.
- (b) Nitrogen Oxides Continuous Emission Monitoring System (NO_x CEMS)
Pursuant to 326 IAC 3-5, 326 IAC 10-4, and 40 CFR Part 60, Subpart D, a continuous emission monitoring system (CEMS) and related equipment for Unit 1 and Unit 2 shall be calibrated, maintained, and operated for measuring NO_x emissions.
- (c) Sulfur Dioxide Continuous Emission Monitoring System (SO₂ CEMS)
Pursuant to 326 IAC 3-5, 326 IAC 7-4 and 40 CFR Part 60, Subpart D, a continuous emission monitoring system (CEMS) and related equipment for Unit 1 and Unit 2 shall be calibrated, maintained, and operated for measuring SO₂ emissions.
- (d) The CEMS and COM shall meet the performance specifications of 326 IAC 3-5-2 and 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 7-4, 326 IAC 10-4, 40 CFR 60, or 40 CFR 75.

D.1.9 Operation of Electrostatic Precipitator [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, the electrostatic precipitators (ESPs) shall be operated as needed to maintain compliance with applicable PM emission limits.

D.1.10 Operation of Scrubber [326 IAC 2-7-6(6)]

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

D.1.11 Operation of Selective Catalytic Reduction (SCR) [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, the Selective Catalytic Reduction (SCR) shall be operated as needed to maintain compliance with applicable emission limits.

D.1.12 Cleaning Waste Analysis [326 IAC 2-1.1-5(a)(4)] [40 CFR 261]

The Permittee shall use appropriate test methods as listed in 40 CFR Part 261 to analyze all boiler chemical cleaning wastes that will be burned, to determine compliance with the Operation Standards condition in this D section.

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

D.1.13 Standard Operating Procedure [326 IAC 3-7-5(a)]

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.

D.1.14 Maintenance of Continuous Opacity Monitoring (COM) Equipment [326 IAC 2-7-5(3)(A)(iii)] [326 IAC 2-1.1-11] [326 IAC 3-5]

- (a) The Permittee shall calibrate, maintain, and operate all necessary continuous opacity

monitoring systems (COMS) and related equipment. For a boiler, the COM shall be in operation at all times that the induced draft fan is in operation.

- (b) All continuous opacity monitoring systems 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 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) is malfunctioning or will be down for calibration, maintenance, or repairs for a period of one (1) hour or more, compliance with the applicable opacity limits shall be demonstrated by the following:
 - (i) 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.
 - (ii) If a COM is not online within twenty-four (24) hours of shutdown or malfunction of the primary COM, the Permittee shall provide certified opacity reader(s), who may be employees of the Permittee or independent contractors, to self-monitor the emissions from the emission unit stack.
 - (A) 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) Method 9 opacity readings shall be repeated for a minimum of five (5) consecutive six (6) minute averaging periods at least once every four (4) hours during daylight operations, until such time that a COM is in operation.
 - (C) Method 9 readings may be discontinued once a COM is online.
 - (D) Any opacity exceedances determined by Method 9 readings shall be reported with the Quarterly Opacity Exceedances Reports.
- (3) If abnormal emissions are observed, the Permittee shall take reasonable

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

- (e) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous opacity monitoring system pursuant to 326 IAC 3-5.

D.1.15 Sulfur Dioxide (SO₂) Monitoring System Downtime [326 IAC 2-7-6] [326 IAC 2-7-5(3)]

Whenever the SO₂ continuous emission monitoring system (CEMS) 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.

D.1.16 Opacity as Surrogate Parameter for Particulate Matter (PM) Emissions [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) In the event of opacity exceeding twenty percent (20%) 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 20%. 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) 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.1.17 Transformer-Rectifier (T-R) Sets [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) The ability of the ESP to control particulate emissions shall be monitored once per shift, when the unit is in operation, by measuring and recording the number of T-R sets in service and the primary and secondary voltages and the currents of the transformer-rectifier (T-R) sets.
- (b) Reasonable response steps shall be taken in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports whenever the percentage of T-R sets in service falls below 90%. T-R set failure resulting in less than 90 percent 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.

D.1.18 Scrubber Inspection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

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

- (c) Defective parts shall be replaced.
- (d) A record shall be kept of the results of the inspection and the part(s) replaced.
- (e) 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.
- (f) 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.
- (g) 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.

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

D.1.19 Record Keeping Requirements

- (a) The Permittee shall maintain records in accordance with the following and records shall be complete and sufficient to establish compliance with the limits:
 - (i) Data and results from the most recent stack test.
 - (ii) All continuous emissions monitoring data.
 - (iii) All parametric monitoring readings.
 - (iv) All preventive maintenance measures taken.
 - (v) All response steps taken and the outcome for each.
- (b) The Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan (PMP) and make available upon request to IDEM, OAQ and US EPA.
- (c) Records necessary to demonstrate compliance shall be available within 30 days of the end of each compliance period.
- (d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.20 Reporting Requirements

- (a) The Permittee shall submit a quarterly summary of the excess emission readings of the:
 - (i) SO₂ CEMS,
 - (ii) NO_x CEMS, and
 - (iii) COMS.

These reports shall be submitted no later than 30 calendar days following the end of each calendar quarter and in accordance with Section C - General Reporting Requirements of this permit.

Submissions of these reports to IDEM, OAQ satisfy the federal reporting requirements of 40 CFR Part 60, Subpart D.

- (b) The Permittee shall submit any revision to the standard operating procedure (SOP) within 30 days after the revision. This revision shall be submitted in accordance with Section C - General Reporting Requirements of this permit.
- (c) The report submitted by the Permittee does require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

SECTION D.2 FACILITY OPERATION CONDITIONS

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

Two (2) No. 2 distillate oil-fired auxiliary boilers, constructed in 1980, each with a heat input rate of 93.0 MMBTU/hour, and exhausting to stack SV3.

(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 Prevention of Significant Deterioration (PSD) Minor Limit [326 IAC 2-2]

The two (2) auxiliary boilers shall use less than 1,126,760 gallons of No. 2 fuel oil per twelve (12) consecutive month, with compliance determined at the end of each month.

This usage limit is required to limit the potential to emit of SO₂ to less than 40 tons per twelve (12) consecutive month period. This fuel usage limit also restricts the potential to emit of the other criteria pollutants to less than the Prevention of Significant Deterioration (PSD) significant levels. Compliance with this limit makes 326 IAC 2-2 PSD not applicable.

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

Pursuant to 326 IAC 6-2-3 (Particulate Emissions Limitations for Sources of Indirect Heating), the particulate matter emissions from each auxiliary boiler shall not exceed 0.27 pounds per MMBTU.

This limitation was calculated using the following equation:

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

Where C = 50 micrograms/m³
Q = total source capacity (MMBTU/hr)
N = number of stacks
a = 0.8
h = average stack height (feet)
Pt = lbs/MMBTU

D.2.3 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 from the 2 auxiliary boilers 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.

D.2.4 Temporary Alternative Opacity Limitations (TAOLs) - - Auxiliary Boilers [326 IAC 5-1-3]

Pursuant to 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), when building a new fire in one of the auxiliary boilers, or shutting down one of the auxiliary boilers, opacity may exceed the

applicable limit of 40%.

However, opacity levels shall not exceed 60% for any six (6)-minute averaging period.

Opacity in excess of the applicable limit established in 326 IAC 5-1-2 shall not continue for more than two (2) six (6)-minute averaging periods in any twenty-four (24) hour period.

D.2.5 Sulfur Dioxide (SO₂) Emissions Limitations [326 IAC 7-1.1-2(a)(3)]

Pursuant to 326 IAC 7-1.1-2 (Sulfur Dioxide (SO₂) Emissions Limitations), the SO₂ emissions from each auxiliary boiler shall not exceed 0.5 pounds per MMBTU.

D.2.6 Operation Standards [326 IAC 2-1.1-5(a)(4)] [40 CFR 261] [40 CFR 279] [329 IAC 13]

- (a) The burning of hazardous waste, as defined by 40 CFR 261, is prohibited in these facilities. Any boiler tube chemical cleaning waste liquids or used oil combusted shall meet the toxicity characteristic requirements for non-hazardous waste.
- (b) Any boiler tube chemical cleaning waste liquids fired in the boiler shall only contain the cleaning solution and two full volume boiler rinses.

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

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

Compliance Determination Requirements

D.2.8 Cleaning Waste Analysis [326 IAC 2-1.1-5(a)(4)] [40 CFR 261]

The Permittee shall use appropriate test methods as listed in 40 CFR Part 261 to analyze all boiler chemical cleaning wastes that will be burned, to determine compliance with the Operation Standards condition in this D section.

D.2.9 Sulfur Dioxide (SO₂) Emissions and Sulfur Content [326 IAC 3-7-4]

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

- (a) Pursuant to 326 IAC 3-7-4, the Permittee shall comply with the applicable SO₂ limitation by:
 - (i) Providing vendor analysis of fuel delivered, if accompanied by a vendor certification; or
 - (ii) Providing analysis of fuel oil samples collected and analyzed in accordance with 326 IAC 3-7-4(a).
 - (A) Oil samples shall be collected from the tanker truck load prior to transferring fuel to the storage tank; or
 - (B) Oil samples shall be collected from the storage tank immediately after each addition of fuel to the tank.
- (b) Pursuant to 326 IAC 7-2-1(d), compliance may also be determined by conducting a stack

test for sulfur dioxide emissions from the two (2) distillate oil #2-fired auxiliary boilers in accordance with 326 IAC 3-6, utilizing the procedures in 40 CFR 60, Appendix A, Methods 6, 6A, 6C, or 8.

- (c) Pursuant to 326 IAC 7-2-1(g), upon written notification to IDEM, OAQ, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance with the emission limitations in 326 IAC 7. Upon such notification, the other requirements of 326 IAC 7 shall not apply.

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

D.2.10 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission (VE) notations of the auxiliary boiler stack exhaust shall be performed once per shift during normal daylight operations while combusting fuel oil. A trained employee shall record whether emissions are normal or abnormal. If VE notations have already been performed during a startup in the same shift, then no additional VE notations are required for that shift.
- (b) If abnormal emissions are observed at any boiler exhaust, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of abnormal emissions that do not violate 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) "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) 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 Requirement [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

D.2.11 Record Keeping Requirements

- (a) The Permittee shall maintain monthly records of fuel oil usage.
- (b) The Permittee shall maintain records of the following and make available upon request to IDEM, OAQ and US EPA:
 - vendor analysis of fuel delivered, or
 - analysis of fuel oil samples collected.
- (c) The Permittee shall maintain records of once per shift visible emission notations of the auxiliary boiler stack exhaust, response steps taken and the outcome for each. These records shall be made available upon request to IDEM, OAQ and US EPA.
- (d) The Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan (PMP) and make available upon request to IDEM, OAQ and US EPA.

- (e) Records necessary to demonstrate compliance shall be available within 30 days of the end of each compliance period.
- (f) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.12 Reporting Requirements

- (a) The Permittee shall submit a quarterly summary of the monthly fuel oil usage, using the reporting form currently being used or the reporting form located at the end of this permit.
- (b) These reports shall be submitted no later than 30 calendar days following the end of each calendar quarter and in accordance with Section C - General Reporting Requirements of this permit.
- (c) The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

D.2.13 National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters [326 IAC 20-1] [40 CFR Part 63, Subpart A] [40 CFR Part 63, Subpart DDDDD]

- (a) **General Provision**
The provisions of 40 CFR 63 Subpart A - General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the auxiliary boilers, except when otherwise specified in 40 CFR 63 Subpart DDDDD.
- (b) **Effective Date**
The auxiliary boilers are subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers and Process Heaters, (40 CFR 63, Subpart DDDDD), as of the effective date of 40 CFR 63, Subpart DDDDD. Pursuant to this rule, the Permittee must comply with 40 CFR 63, Subpart DDDDD on and after three (3) years after the date of publication of the final rule for 40 CFR 63, Subpart DDDDD in the Federal Register.
- (c) **Permit Shield**
Since the applicable requirements associated with the compliance options for these auxiliary boilers are not included and specifically identified in this permit, the permit shield authorized by Section B - Permit Shield of this permit, and set out in 326 IAC 2-7-15 does not apply to paragraph (a) of this condition.
- (d) **Initial Notification**
Pursuant to 40 CFR 63.7545(a) and 40 CFR 63.7506(b), the Permittee shall submit an Initial Notification for the auxiliary boilers containing the information specified in 40 CFR 63.9(b)(2) not later than 120 days after the date of publication of the final rule for 40 CFR 63, Subpart DDDDD in the Federal Register, as required by 40 CFR 63.7545(b).

The initial notification shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality

100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
and
United States Environmental Protection Agency, Region V
Director, Air and Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

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

D.2.14 Requirement to Submit a Significant Permit Modification Application [326 IAC 2-7-12]
[326 IAC 2-7-5]

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

- (a) The significant permit modification application shall be consistent with 326 IAC 2-7-12, including information sufficient for IDEM, OAQ to incorporate into the Part 70 permit the applicable requirements of 40 CFR 63, Subpart DDDDD, a description of the affected source and activities subject to the standard, and a description of how the Permittee will meet the applicable requirements of the standard.
- (b) The significant permit modification application shall be submitted no later than nine (9) months prior to the compliance date as specified in 40 CFR 63.7495(b).
- (c) The significant permit modification application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

SECTION D.3 FACILITY OPERATION CONDITIONS

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

A coal storage and handling system, with a maximum throughput of 4,351,419 tons per year, consisting of the following equipment:

- (a) One (1) unloading (rotary car dumper) controlled by being partially enclosed and wet spray suppression.
- (b) One (1) conveying system controlled by enclosures on the top and sides.
- (c) One (1) breaker and crusher house (two crushers), with enclosed transfer points, controlled by a wet spray suppression.
- (d) One (1) stockout system controlled by a lowering well (enclosed concrete cylinder with flapped openings at various elevations).
- (e) One (1) reclaim system controlled by enclosures and wet spray suppression.
- (f) One (1) outdoor storage with a capacity of 500,000 tons controlled by layering and compaction.

(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 Particulate Limitations [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations), the allowable particulate emissions rate from the coal handling and storage system shall not exceed 68.88 pounds per hour.

This rate is derived from the 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 following equation:

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

D.3.2 New Source Performance Standard [326 IAC 12-1] [40 CFR 60, Subpart A] [40 CFR 60, Subpart Y]

- (a) The provisions of 40 CFR 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to the facility described in this section except when otherwise specified in 40 CFR 60, Subpart Y.
- (b) Pursuant to 326 IAC 12 and 40 CFR 60.252(c), the exhaust from any coal processing and conveying equipment, coal storage system, or coal transfer and loading system shall not exceed twenty percent (20%).

D.3.3 Opacity - - Coal Unloading [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 from the coal unloading 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.
-

D.3.4 Fugitive Dust Emissions [326 IAC 6-4]

Pursuant to 326 IAC 6-4 (Fugitive Dust Emissions), the Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).

326 IAC 6-4-2(4) is not federally enforceable.

D.3.5 Preventive Maintenance Plan (PMP) [326 IAC 2-7-5(13)]

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

Compliance Determination Requirements

D.3.6 New Source Performance Standard Compliance Provisions [326 IAC 12] [40 CFR 60, Subpart Y]

Pursuant to 40 CFR Part 60.254(b)(2), Method 9 and the procedures in 40 CFR Part 60.11 shall be used to determine opacity for the coal processing and conveying equipment, coal storage system, or coal transfer and loading system.

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

D.3.7 Visible Emissions Notations -- Coal Unloading [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) Visible emission notations of the coal unloading station shall be performed once per shift during normal daylight operations while unloading coal. A trained employee shall record whether any emissions are observed.
- (b) If any visible emissions of the dust are observed from the unloading station, the crusher station or the transfer points, 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.

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

D.3.8 Record Keeping Requirements

- (a) Pursuant to 40 CFR Part 60, Subpart Y, the Permittee shall maintain records of the results performance test(s) required to show compliance with the opacity standard.
- (b) The Permittee shall maintain records of the Method 9 readings of the coal processing and conveying equipment, coal storage system, or coal transfer and loading system.
- (c) The Permittee shall maintain records of the once per shift visible emission notations of the coal unloading station exhaust and make available upon request to IDEM, OAQ and US EPA.
- (d) The Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan and make available upon request to IDEM, OAQ and US EPA.
- (e) Records necessary to demonstrate compliance shall be available within 30 days of the end of each compliance period.
- (f) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.3.9 Reporting Requirements

- (a) Pursuant to 40 CFR Part 60, Subpart Y, The Permittee shall submit:
 - results of the performance test, and
 - a quarterly summary of the excess opacity readings.

These records shall be submitted to the:

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

These reports shall be submitted no later than 30 calendar days following the end of each calendar quarter.

[Submissions of these reports to IDEM, OAQ satisfy the federal reporting requirements of 40 CFR Part 60, Subpart Y.](#)

- (b) These results shall be submitted in accordance with Section C - General Reporting Requirements of this permit.
- (c) The report submitted by the Permittee does require the certification by the "responsible

official" as defined by 326 IAC 2-7-1(34).

SECTION D.4 FACILITY OPERATION CONDITIONS

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

A limestone storage and handling system, with a maximum throughput of 259,629 tons per year consisting of the following equipment:

- (a) One (1) truck or railcar unloading station, with two (2) hoppers, which, in turn feed two (2) vibrating feeders, with a baghouse to control emissions.
- (b) One (1) storage pile with a storage capacity of up to 90,000 tons of limestone.
- (c) One (1) enclosed conveying system controlled by an enclosed building with a baghouse.
- (d) One (1) reclaim system controlled by a baghouse in an enclosed building.
- (e) One limestone crushing system (two crushers), located in the limestone preparation building. There are four (4) baghouses used to control emissions both before and after the limestone is crushed.

(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 Limitations [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Process operations: particulate emission limitations), the particulate emissions from the limestone processing drop points shall not exceed 39.64 pounds per hour when operating at a process weight rate of 30 tons per hour.

This emission rate is based on the interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

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

D.4.2 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):

- (a) Opacity from the limestone storage and handling system 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.

D.4.3 Fugitive Dust Emissions [326 IAC 6-4]

Pursuant to 326 IAC 6-4 (Fugitive Dust Emissions), the Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).

326 IAC 6-4-2(4) is not federally enforceable.

D.4.4 Preventive Maintenance Plan (PMP) [326 IAC 2-7-5(13)]

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

Compliance Determination Requirements

D.4.5 Operation of Baghouse [326 IAC 2-7-6(6)]

Except as otherwise provided by statute or rule or in this permit, the baghouses for particulate control shall be in operation and control emissions at all times when the associated:

- truck or railcar unloading station,
 - reclaim system, and
 - limestone crushing system
- are in operation.

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

D.4.6 Visible Emissions Notations [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

- (a) **Limestone Transfer Points**
Visible emission notations of the limestone transfer points baghouse exhausts shall be performed once per shift during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.
- (b) **Limestone Unloading Station**
Visible emission notations of the limestone unloading station shall be performed once per shift during normal daylight operations while unloading limestone. A trained employee shall record whether any emissions are observed.
- (c) **Dust Visible Emissions**
If any visible emissions of dust are observed from the limestone unloading station doorways, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of visible emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.
- (d) **Abnormal Emissions**
If abnormal emissions are observed at any baghouse exhaust, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. Observation of an abnormal emissions that do not violate 326 IAC 6-4 (Fugitive Dust Emissions) or an applicable

opacity limit is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

- (e) **Processes Operated Continuously**
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 shutdown time.
- (f) **Batch or Discontinuous Operations**
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) **Trained Employee**
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 the specific process.

D.4.7 Baghouse Parametric Monitoring [326 IAC 2-7-6(1)] [326 IAC 2-7-(1)]

- (a) The Permittee shall record the total static pressure drop across the baghouses used in conjunction with the limestone transfer drop points at least once per shift when the limestone transfer handling is in operation and venting to the atmosphere.
- (b) When for any one reading, the pressure drop across the baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports shall be considered a deviation from this permit.
- (c) A pressure reading that is outside the above mentioned range is not a deviation from this permit.
- (d) 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.4.8 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 the PM emissions from the limestone processing, when venting to the atmosphere.
- (b) A baghouse inspection shall be performed within three months of redirecting vents to the atmosphere and every three months thereafter.
- (c) Inspections are optional when venting to the indoors.
- (d) All defective bags shall be replaced.
- (e) 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.

- (f) Discovery of an abnormal or improper condition is not a deviation from this permit.
- (g) 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.4.9 Broken or Failed Bag Detection [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

In the event that bag failure has been observed:

- (a) For multi-compartment units, the affected compartments will be shut down immediately until the failed units have been repaired or replaced. Within eight (8) business hours of the determination of failure, response steps according to the timetable described in the Compliance Response Plan shall be initiated. For any failure with corresponding response steps and timetable not described in the Compliance Response Plan, response steps shall be devised within eight (8) business hours of discovery of the failure and shall include a timetable for completion. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

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

- (b) For single compartment baghouses, if failure is indicated by a significant drop in the baghouse's pressure readings with abnormal visible emissions or the failure is indicated by an opacity violation, or if bag failure is determined by other means, such as gas temperatures, flow rates, air infiltration, leaks, dust traces or triboflows, then failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

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

D.4.10 Record Keeping Requirements

- (a) The Permittee shall maintain records of the once per shift visible emission notations of the:
 - Limestone Transfer Points, and
 - Limestone Unloading Station,and make available upon request to IDEM, OAQ and US EPA.
- (b) The Permittee shall maintain the following and make available upon request to IDEM, OAQ and US EPA:
 - (i) Records of the differential pressure readings across the baghouses.
 - (ii) Records of the results of the baghouse inspections.

- (iii) Documentation of the dates that baghouse vents are redirected.
- (c) The Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan and make available upon request to IDEM, OAQ and US EPA.
- (d) Records necessary to demonstrate compliance shall be available within 30 days of the end of each compliance period.
- (e) 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)]

Insignificant Activities:

Degreasing operations that do not exceed 145 gallons per 12 months.

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

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

D.5.1 Volatile Organic Compounds (VOC) [326 IAC 8-3-2] [326 IAC 8-3-5(a)]

Pursuant to 326 IAC 8-3-2 and 8-3-5(a) (Cold Cleaner Operations), the owner or operator of a cold cleaner degreaser without remote solvent reservoirs constructed after July 1, 1990, shall ensure that the following requirements are met:

- (a) Equip the degreaser with a cover. The cover must be designed so that it can be easily operated with one (1) hand if:
 - (i) The solvent volatility is greater than two (2) kiloPascals (fifteen (15) millimeters of mercury or three-tenths (0.3) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F));
 - (ii) The solvent is agitated; or
 - (iii) The solvent is heater.
- (b) Equip the degreaser with a facility for draining cleaned articles. If the solvent volatility is greater than four and three-tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six-tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), then the drainage facility must be internal such that articles are enclosed under the cover while draining. The drainage facility may be external for applications where an internal type cannot fit into the cleaning system.
- (c) Provide a permanent, conspicuous label which lists the operating requirements outlined in subsection (b).
- (d) The solvent spray, if used, must be a solid, fluid stream and shall be applied at a pressure which does not cause excessive splashing.
- (e) Equip the degreaser with a facility for draining cleaned articles. If the solvent volatility is greater than four and three-tenths (4.3) kiloPascals (thirty-two (32) millimeters of mercury or six-tenths (0.6) pounds per square inch) measured at thirty-eight degrees Celsius (38°C) (one hundred degrees Fahrenheit (100°F)), or if the solvent is heated to a temperature greater than forty-eight and nine-tenths degrees Celsius (48.9°C) (one hundred twenty degrees Fahrenheit (120°F));
 - (i) A freeboard that attains a freeboard ratio of seventy-five hundredths (0.75) or

greater.

- (ii) A water cover when solvent is used is insoluble in, and heavier than, water.
- (iii) Other systems of demonstrated equivalent control such as a refrigerated chiller or carbon adsorption. Such systems shall be submitted to U.S. EPA as a SIP revision.

D.5.2 Volatile Organic Compounds (VOC) [326 IAC 8-3-5(b)]

Pursuant to 326 IAC 8-3-2 and 326 IAC 8-3-5(b) (Cold Cleaner Degreaser Operation and Control), the owner or operator of a cold cleaning facility construction of which commenced after July 1, 1990, shall ensure that the following operating requirements are met:

- (a) Close the cover whenever articles are not being handled in the degreaser.
- (b) Drain cleaned articles for at least fifteen (15) seconds or until dripping ceases.
- (c) Store waste solvent only in covered containers and prohibit the disposal or transfer of waste solvent in any manner in which greater than twenty percent (20%) of the waste solvent by weight could evaporate.

SECTION E

ACID RAIN PROGRAM CONDITIONS

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

- (1) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 1 or 1SG1, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 1 can not operate at load solely using No. 2 fuel oil.

Unit 1 utilizes the following control equipment:

- Electrostatic precipitator (ESP),
- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE1B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 1 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV1) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

- (2) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 2 or 1SG2, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 2 can not operate at load solely using No. 2 fuel oil.

Unit 2 utilizes the following control equipment:

- Electrostatic precipitator (ESP),
- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE2B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 2 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV2) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

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

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

- (a) The Acid Rain permit for this source, AR 153-5061-00005, issued on December 12, 1997, is incorporated by reference into this Part 70 Permit.
- (b) Pursuant to 326 IAC 21 (Acid Deposition Control), the Permittee shall comply with all provisions of the Acid Rain Permit and Amendments issued for this source, and any other applicable requirements contained in 40 CFR 72 through 40 CFR 78.

- (c) Where an applicable requirement of the Clean Air Act is more stringent than an applicable requirement of regulations promulgated under Title IV of the Act, both provisions shall apply.

E.2 Title IV Emissions Allowances [326 IAC 2-7-5(4)]

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 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

Facility Description [326 IAC 2-7-5(15)]	ORIS Code:	6213
<p>(1) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 1 or 1SG1, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 1 can not operate at load solely using No. 2 fuel oil.</p> <p>Unit 1 utilizes the following control equipment:</p> <ul style="list-style-type: none">-- Electrostatic precipitator (ESP),-- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE1B), and-- Selective Catalytic Reduction (SCR). <p>Controlled emissions from Unit 1 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV1) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.</p>		
<p>(2) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 2 or 1SG2, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 2 can not operate at load solely using No. 2 fuel oil.</p> <p>Unit 2 utilizes the following control equipment:</p> <ul style="list-style-type: none">-- Electrostatic precipitator (ESP),-- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE2B), and-- Selective Catalytic Reduction (SCR). <p>Controlled emissions from Unit 2 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV2) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.</p>		
<p>(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)</p>		

Emission Limitations and Standards

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

This 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)]

The owners and operators of each NO_x budget unit shall operate each unit in compliance with the NO_x budget trading program.

F.3 Liability [326 IAC 10-4-4(f)]

The owners and operators of the 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.4 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.

F.5 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 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.6 Excess Emissions Requirements [326 IAC 10-4-4(d)]

The owners and operators of the NO_x budget source 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).

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

F.7 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 the Nitrogen Oxides Requirements.

Record Keeping and Reporting Requirement

F.8 Record Keeping Requirements [326 IAC 10-4-4(e)] [326 IAC 2-7-5(3)]

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

- (1) The account certificate of representation for the NO_x authorized account representative for the source and each NO_x budget unit at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 326 IAC 10-4-6(h).

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

- (2) All emissions monitoring information, in accordance with 40 CFR 75 and 326 IAC 10-4-12, provided that to the extent that 40 CFR 75 and 326 IAC 10-4-12 provide for a three (3) year period for record keeping, the three (3) year period shall apply.
- (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x budget trading program.
- (4) Copies of all documents used to complete a NO_x budget permit application and any other submission under the NO_x budget trading program or to demonstrate compliance with the requirements of the NO_x budget trading program.
- (b) 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.
- (c) Unless otherwise provided, all records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

F.9 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 10-4-6(e), each submission shall include the certification by the NO_x authorized account representative.
- (c) Where 326 IAC 10-4 requires a submission to IDEM, OAQ, and U.S. EPA, the NO_x authorized account representative shall submit required information to:

Indiana Department of Environmental Management
Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
and

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

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

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: Hoosier Energy Rural Electric Coop. (REC), Inc.
Merom Generating Station
Source Address: State Highway 53, Sullivan, Indiana 47882
Mailing Address: P.O. Box 908, Bloomington, IN 47402
Part 70 Permit No.: T153-6931-00005

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**

NO_x BUDGET TRADING CERTIFICATION

Source Name: Hoosier Energy Rural Electric Coop. (REC), Inc.
Merom Generating Station
Source Address: State Highway 53, Sullivan, Indiana 47882
Mailing Address: P.O. Box 908, Bloomington, IN 47402
Part 70 Permit No.: T153-6931-00005, Section F

This certification shall be included when submitting reports required under the NO_x Budget Trading program as required by Section F of this permit.

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.

Signature:

Printed Name:

Title/Position:

Telephone:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH**

100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015 Phone: 317-233-5674, Fax: 317-233-5967

**PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT**

Source Name: Hoosier Energy Rural Electric Coop. (REC), Inc.
Merom Generating Station
Source Address: State Highway 53, Sullivan, Indiana 47882
Mailing Address: P.O. Box 908, Bloomington, IN 47402
Part 70 Permit No.: T153-6931-00005

This form consists of 2 pages

Page 1 of 2

This is an emergency as defined in 326 IAC 2-7-1(12)
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
The Permittee must submit notice in writing or by facsimile within two (2) 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:

Page 2 of 2 of Emergency Occurrence Report

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

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: Hoosier Energy Rural Electric Coop. (REC), Inc.
Merom Generating Station
Source Address: State Highway 53, Sullivan, Indiana 47882
Mailing Address: P.O. Box 908, Bloomington, IN 47402
Part 70 Permit No.: T153-6931-00005

Months: _____ to _____ Year: _____

This form consists of 2 pages

Page 1 of 2

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. Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report. 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 of Quarterly Deviation and Compliance Monitoring Report

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
COMPLIANCE DATA SECTION**

**PART 70 OPERATING PERMIT
FUEL USAGE QUARTERLY REPORT**

Source Name: Hoosier Energy Rural Electric Coop. (REC), Inc.
Merom Generating Station
Source Address: State Highway 53, Sullivan, Indiana 47882
Mailing Address: P.O. Box 908, Bloomington, IN 47402
Part 70 Permit No.: T153-6931-00005
Facilities: 2 Auxiliary Boilers
Parameter: Fuel Usage
Limit: 1,126,760 gallons of No. 2 fuel oil per twelve (12) consecutive month

YEAR: _____ QUARTER: _____

Month	Fuel Usage (gallons)	Fuel Usage (gallons)
	This Month	Last 12 Month Total

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

Form Completed By:

Title/Position:

Signature:

Date:

Telephone:

Attach a signed certification to complete this report.

**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:	Hoosier Energy Rural Electric Cooperative Merom Generating Station
Source Location:	State Highway 54 West, Sullivan, Indiana 47882
County:	Sullivan
SIC Code:	4911
ORIS Code:	6213
Responsible Official:	Manager, Power Production*
Source Telephone Number:	(812) 876-2021
Operation Permit No.:	153-6931-00005
Permit Writer:	Iryn Calilung

* The responsible official is identified by its position or title, instead of a person's name, to minimize permit amendments.

Part 70 Permit Application

The Office of Air Quality (OAQ) has reviewed a Part 70 permit application from Hoosier Energy Rural Electric Cooperative - Merom Generating Station relating to the operation of an electric generating station.

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 application for the purposes of this review was received on October 16, 1996.

A notice of completeness letter was mailed to the source on December 5, 1996.

A letter requesting additional information was mailed to Hoosier Energy on June 13, 1997. The information requested was not available in the Part 70 permit application. IDEM intended to use the information to develop an accurate and adequate compliance monitoring plan. Hoosier Energy appealed this letter. On July 22, 1997, the IDEM revoked the request for additional information and continued to work with Hoosier Energy to determine the information necessary to include in the Part 70 permit.

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted emission units and pollution control devices:

- (1) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 1 or 1SG1, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 1 can not operate at load solely using No. 2 fuel oil.

Unit 1 utilizes the following control equipment:

- - Electrostatic precipitator (ESP),

- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE1B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 1 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV1) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

Unit 1 identification is used in the Part 70 permit application while 1SG1 is used in the US EPA database for this boiler.

- (2) One (1) pulverized coal-fired dry bottom boiler, identified as Unit 2 or 1SG2, constructed in 1976, rated at 5,088 million BTU per hour (MMBTU/hr) energy input, used to generate up to 490 megawatts (gross) of electricity. Unit 1 uses No. 2 fuel oil for start ups and flame stabilization. Unit 2 can not operate at load solely using No. 2 fuel oil.

Unit 2 utilizes the following control equipment:

- Electrostatic precipitator (ESP),
- Flue Gas Desulfurization (FGD) Wet Nonregenerative Scrubber System (identified as CE2B), and
- Selective Catalytic Reduction (SCR).

Controlled emissions from Unit 2 are exhausted to the atmosphere through a 19-foot diameter flue liner (SV2) which is housed in a 700-foot stack that is shared by both Unit 1 and Unit 2. Opacity is measured with a continuous opacity monitor (COM). Sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions are measured with a SO₂ continuous emission monitor system (CEMS) and a NO_x CEMS, respectively.

Unit 2 identification is used in the Part 70 permit application while 1SG2 is used in the US EPA database for this boiler.

The Part 70 permit application submitted in October, 1996 indicated the rating of the 2 boilers to be 5,500 MMBTU/hour. The descriptions of the 2 boilers were on their existing operating permits. No existing permit can be found that indicates the higher rate.

The Part 70 permit application indicated that Unit 1 was constructed in 1983 and Unit 2 was constructed in 1982. Hoosier energy submitted additional information that stated that the boilers were constructed in 1976.

In October, 2002, Hoosier Energy indicated that 2 SCR units will be installed. The SCRs have been installed, thus they were included in the descriptions of Unit 1 and Unit 2.

- (3) Two (2) No. 2 distillate oil-fired auxiliary boilers, constructed in 1980, each with a heat input rate of 93.0 MMBTU/hour, and exhausting to stack SV3.
- (4) A coal storage and handling system, with a maximum throughput of 4,351,419 tons per year, consisting of the following equipment:
- (a) One (1) unloading (rotary car dumper) controlled by being partially enclosed and wet spray suppression.
 - (b) One (1) conveying system controlled by enclosures on the top and sides.

- (c) One (1) breaker and crusher house (two crushers), with enclosed transfer points, controlled by a wet spray suppression.
- (d) One (1) stockout system controlled by a lowering well (enclosed concrete cylinder with flapped openings at various elevations).
- (e) One (1) reclaim system controlled by enclosures and wet spray suppression.
- (f) One (1) outdoor storage with a capacity of 500,000 tons controlled by layering and compaction.

The Part 70 permit application indicated this pile to have a capacity of 400,000 tons, however, additional information was provided stating it to be 500,000 tons.

- (5) A limestone storage and handling system, with a maximum throughput of 259,629 tons per year consisting of the following equipment:
 - (a) One (1) truck or railcar unloading station, with two (2) hoppers, which, in turn feed two (2) vibrating feeders, with a baghouse to control emissions.
 - (b) One (1) storage pile with a storage capacity of up to 90,000 tons of limestone.
 - (c) One (1) enclosed conveying system controlled by an enclosed building with a baghouse.
 - (d) One (1) reclaim system controlled by a baghouse in an enclosed building.
 - (e) One limestone crushing system (two crushers), located in the limestone preparation building. There are four (4) baghouses used to control emissions both before and after the limestone is crushed.

Insignificant Activities

The source also consists of the following insignificant activities, as defined in 326 IAC 2-7-1(21):

- (1) Propane or liquified petroleum gas, or butane-fired combustion sources with heat input equal to or less than six million (6,000,000) Btu per hour.
- (2) Equipment powered by internal combustion engines of capacity equal to or less than 500,000 Btu/hour, except where total capacity of equipment operated by one stationary source exceeds 2,000,000 Btu/hour.
- (3) Combustion source flame safety purging on startup.
- (4) A gasoline fuel transfer and dispensing operation handling less than or equal to 1,300 gallons per day, such as filling of tanks, locomotives, automobiles having a storage capacity less than or equal to 10,500 gallons.
- (5) 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.
- (6) The following VOC and HAP storage containers:

- (a) Storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons.
- (b) Vessels storing lubricating oils, hydraulic oils, machining oils, and machining fluids.
- (c) Three (3) storage tanks:
 - (i) Tank 1 (identified as ST1), was constructed in 1982, stores fuel oil and has a maximum capacity of 500,000 gallons.
 - (ii) Tank 2 (identified as ST2) was constructed in 1982, stores fuel oil, and has a maximum capacity of 15,000 gallons.
 - (iii) Tank 3 (identified as ST3), was constructed in 1982, stores diesel, has a maximum capacity of 15,000 gallons.
- (7) Equipment used exclusively for the following: Filling drums, pails or other packaging containers with lubrication oils, waxes, and greases.
- (8) Application of oils, greases, lubricants or other nonvolatile materials applied as temporary protective coatings.
- (9) Machining where an aqueous cutting coolant continuously floods the machining interface.
- (10) Degreasing operations that do not exceed 145 gallons per 12 months, except if subject to 326 IAC 20-6.
- (11) Cleaners and solvents characterized as follows:
 - (a) having a vapor pressure equal to or less than 2kPa; 15mm Hg; or 0.3 psi measured at 38 degrees C (100 degrees F) or;
 - (b) having a vapor pressure equal to or less than 0.7 kPa; 5mm Hg; or 0.1 psi measured at 20 degrees C (68 degrees F); the use of which for all cleaners and solvents combined does not exceed 145 gallons per 12 months.
- (12) The following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment, cutting torches, soldering equipment, and welding equipment.
- (13) Closed loop heating and cooling systems.
- (14) Solvent recycling systems with batch capacity less than or equal to 100 gallons.
- (15) Noncontact cooling tower systems with forced and induced draft cooling tower system not regulated under a NESHAP.
- (16) Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.
- (17) Heat exchanger cleaning and repair.
- (18) Process vessel degassing and cleaning to prepare for internal repairs.
- (19) Stockpiled soils from soil remediation activities that are covered and waiting transport for disposal.
- (20) Paved and unpaved roads and parking lots with public access.
- (21) Conveyors as follows:
 - (a) Covered conveyors for limestone conveying of less than or equal to 7200 tons per day for sources other than mineral processing plants constructed after August 31,

- 1983;
- (b) Underground conveyors
- (22) Coal bunker and coal scale exhausts and associated dust collector vents.
- (23) Asbestos abatement projects regulated by 326 IAC 14-10.
- (24) Purging of gas lines and vessels that is related to 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.
- (25) Flue gas conditioning systems and associated chemicals such as the following: sodium sulfate; ammonia; and sulfur trioxide.
- (26) 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.
- (27) Blowdown for any of the following: sight glass; boiler; compressors; pumps; and cooling tower.
- (28) On-site fire and emergency response training approved by the department.
- (29) Emergency generators as follows:
(a) Gasoline generators not exceeding 110 horsepower.
(b) Diesel generators not exceeding 1600 horsepower.
- (30) Stationary fire pumps.
- (31) Grinding and machining operations controlled with fabric filters, scrubbers, mist collectors, wet collectors and electrostatic precipitators with a design grain loading of less than or equal to 0.03 grains per actual cubic foot and a gas flow rate less than or equal to 4000 actual cubic feet per minute, including the following: deburring; buffing; polishing; abrasive blasting; pneumatic conveying; and woodworking operations.
- (32) Purge double block and bleed valves.
- (33) Filter and coalescer media changeout.
- (34) Vents from ash transport systems not operated at positive pressure.
- (35) A laboratory as defined in 326 IAC 2-7-1(21)(D).
- (36) Farm operations.
- (37) Landfill operations (combustion byproducts)

These insignificant activities are the activities that Hoosier Energy indicated in their Part 70 permit application.

Unpermitted Emission Units and Pollution Control Equipment

There are no unpermitted facilities at this source during this review process.

New Emission Units and Pollution Control Equipment

There are no new facilities to be reviewed.

Existing Approvals

The source has been operating under previous approvals including, but not limited to, the following:

- (1) CP PC 77-1057, issued on March 4, 1977;
- (2) Exemption (no permit number), issued on May 1, 1979;
- (3) OP 77-12-89-0051, issued on September 29, 1986;
- (4) OP 77-12-89-0052, issued on September 29, 1986;
- (5) OP 77-12-89-0053, issued on September 29, 1986;
- (6) CP 153-4034-00005, issued on September 30, 1994; and
- (7) AR 153-5061-00005, issued on December 31, 1997.

All conditions from previous approvals were incorporated into this Part 70 permit, except the following:

- (1) OP 77-12-89-0052 and OP 77-12-89-0053, issued September 29, 1986
The heat input rate of Units 1 and 2 shall not exceed 10,176 MMBTU/hour, collectively.

Reason not incorporated: The heat input rate of Unit 1 and Unit 2 is not necessary to be specified as an enforceable limit.
- (2) An Exemption letter indicated that the 2 boilers (each rated 81.2 MMBTU/hr) will be fired with No. 2 fuel oil only, used for space heating and will become emergency standby when the main boilers goes into commercial operation.

Reason not incorporated: Boilers that were actually constructed are of higher rating (93.0 MMBTU/hour). Applicable requirements were re-evaluated based on the actual ratings of the boilers and dates of construction. Detailed evaluation is explained in the subsequent pages of this document.

Enforcement Issue

The source has pending enforcement actions regarding the repeated exceedances of the boilers during startup periods. Hoosier Energy and IDEM have been working together in resolving these exceedances.

Emission Calculations

No emissions calculations were determined to be necessary because this source is already confirmed to be a Part 70 major source by its existing operating permits and actual emissions. Emission calculations, as necessary, were determined and explained in the subsequent pages of this document to verify compliance with specific applicable requirements.

Potential To Emit

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as “the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hour 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.

This table reflects the Potential to Emit before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Pollutant	Potential to Emit (tons/year)
PM	greater than 100
PM10	greater than 100
SO ₂	greater than 100
VOC	greater than 100
CO	greater than 100
NO _x	greater than 100

Note: For the purpose of determining Title V applicability for particulates, PM-10, not PM, is the regulated pollutant in consideration.

HAPs	Potential to Emit (tons/year)
Manganese	greater than 10 tons
Chromium	greater than 10 tons
Arsenic	greater than 10 tons
Hydrogen Flouride	greater than 10 tons
Hydrogen Chloride	greater than 10 tons
Lead	greater than 10 tons
TOTAL	greater than 10 tons

- (1) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of particulate matter less than ten (10) microns (PM₁₀), sulfur dioxide (SO₂), nitrogen oxides (NO_x) and carbon monoxide (CO) are equal to or greater than 100 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (2) The potential to emit (as defined in 326 IAC 2-1.1-1(16)) of any single HAP is equal to or greater than ten (10) tons per year and the potential to emit (as defined in 326 IAC 2-1.1-1(29)) of a combination HAPs is greater than or equal to twenty-five (25) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (3) 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 2001 OAQ emission data.

Pollutant	Actual Emissions (tons/year)
PM10	852
SO ₂	15,491
VOC	93
CO	783
NO _x	16,050
HAP	no data

Potential to Emit After Issuance

The table below summarizes the potential to emit, reflecting all limits, of the significant emission units after controls. The control equipment is considered federally enforceable only after issuance of this Part 70 operating permit.

Potential to Emit (tons/year)							
Process	PM	PM ₁₀	SO ₂	VOC	CO	NO _x	HAPs
Unit 1	2,228.54	2,228.54	26,742.53	--	--	--	--
Unit 2	2,228.54	2,228.54	26,742.53	--	--	--	--
Auxiliary Boilers	less than 25	less than 15	less than 40	less than 40	less than 100	less than 40	--
Coal Storage and Handling System	301.7	--	--	--	--	--	--
Limestone Storage and Handling System	173.62	--	--	--	--	--	--
Insignificant Activities	--	--	--	--	--	--	--
Total Emissions	greater than 100	greater than 10/25					

- (1) PM and PM₁₀
 - (a) Allowable PM emissions of Unit 1 and Unit 2 are based on the PM limits specified under 40 CFR Part 60. Detailed evaluation is specified in the Federal Rule Applicability portion of this TSD.
 - (i) Unit 1 PM = (0.1 lb/MMBTU)*(5,088 MMBTU/hr)*(1 ton/2000 lb)
 *(8760 hr/yr) = 2,228.54 ton/yr
 - (ii) Unit 2 PM = (0.1 lb/MMBTU)*(5,088 MMBTU/hr)*(1 ton/2000 lb)
 *(8760 hr/yr) = 2,228.54 ton/yr

- (b) Allowable PM and PM10 emissions of the 2 auxiliary boilers are limited to less than the PSD significant levels, based on the fuel usage. Detailed explanation is shown in the State Rule Applicability portion of this TSD.
- (c) Allowable PM emissions of the Coal Storage and Handling System are based on the rates determined under 326 IAC 6-3. Detailed evaluation is shown in the State Rule Applicability portion of this TSD.

$$PM = (68.88 \text{ lb/hr}) * (8760 \text{ hr/yr}) * (1 \text{ ton}/2000 \text{ lb}) = 301.7 \text{ ton/yr}$$

- (d) Allowable PM emissions of the Limestone Storage and Handling System are based on the rate determined under 326 IAC 6-3. Detailed evaluation is shown in the State Rule Applicability portion of this TSD.

$$PM = (39.64 \text{ lb/hr}) * 8760 \text{ hr/yr} * (1 \text{ ton}/2000 \text{ lb}) = 173.62 \text{ ton/yr}$$

(2) Sulfur Dioxide (SO₂)

- (a) Allowable SO₂ emissions from Unit 1 and Unit 2 are based on the allowable emission rates of 1.2 lb/MMBTU, specified in 326 IAC 7-4-7.

- (i) Unit 1 SO₂ = (1.2 lb/MMBTU) * (5,088 MMBTU/hr) * (1 ton/2000 lb) * (8760 hr/yr) = 26,742.53 ton/yr

- (ii) Unit 1 SO₂ = (1.2 lb/MMBTU) * (5,088 MMBTU/hr) * (1 ton/2000 lb) * (8760 hr/yr) = 26,742.53 ton/yr

- (b) Allowable SO₂ emissions from the 2 auxiliary boilers are limited to less than the PSD significant levels.

County Attainment Status

The source is located in Sullivan County.

Pollutant	Status
PM-10	attainment
SO ₂	attainment
NO ₂	attainment
Ozone	attainment
CO	attainment
Lead	attainment

- (1) Ozone
 Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Sullivan County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

- (2) Criteria Pollutants
 Sullivan County has been classified as attainment or unclassifiable for PM10, SO₂, NO₂, Ozone, CO and Lead. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

- (3) 1 of 28 Listed Source Categories
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 of August 7, 1980, the fugitive emissions are counted toward determination of PSD.

Federal Rule Applicability

- (1) the New Source Performance Standard (NSPS)
- (a) Unit 1 and Unit 2, each rated at 5,088 MMBTU/hour, are subject to the NSPS 40 CFR 60, Subpart D because they were constructed in 1976, after the applicability date of August 17, 1971.
- Unit 1 and Unit 2 use coal as fuel, which is considered solid fossil fuel, thus the PM, SO₂, NO_x and opacity standards specified for solid fossil fuel apply.
- (b) The 2 auxiliary boilers, each rated at 93 MMBTU/hr and constructed in 1980, are not subject to:
- 40 CFR Part 60 Subpart Da because they are less than the applicability rate of 250 MMBTU/hr.
 - 40 CFR Part 60 Subpart Db because they were constructed prior to the applicability date (June 19, 1984).
 - 40 CFR 60, Subpart Dc, because they were not constructed on or after June 9, 1989.
- (c) The coal processing and conveying equipment, coal storage system, coal transfer and loading system are subject to the opacity standard of 20% as specified in 40 CFR Part 60.252(c) Subpart Y because the plant has a rate greater than 200 tons/day and was constructed after October 24, 1974.
- Rate = (4,351,419 tons/yr)*(1 yr/365 day) = 11,921.7 tons/day
- A US EPA letter, dated May 17, 1985, provided clarification that a coal plant that processes 200 tons/day of coal or more by crushing, breaking, screening, wet or dry cleaning or thermal drying is subject to NSPS 40 CFR Part 60 Subpart Y. This letter indicated that sources, such as power plants, which have these specific processes and meet the 200 ton/day rate are subject to the standards. Plants, which only handle or transfer coal, are not subject to the NSPS 40 CFR Part 60 Subpart Y. Unloading facilities are not specifically subject to the NSPS 40 CFR Part 60 Subpart Y.
- (d) The limestone processing is not subject to 40 CFR Part 60, Subpart OOO because this plant was constructed prior to the applicability date (August 31, 1983).
- (e) Reports required under the NSPS federal regulations have to be submitted to both IDEM and US EPA. Submitting these reports to IDEM only does not fully satisfy the requirement.
- (2) National Emission Standards for Hazardous Air Pollutants (NESHAP)
There are no NESHAPs 40 CFR 63 applicable to this source.

- (3) Section 112(j) of the Clean Air Act (CAA)
Hoosier Energy submitted their Part 1 MACT application on May 15, 2002.
- (4) Acid Rain
The two (2) pulverized coal-fired dry bottom boilers, identified as Unit 1 and Unit 2, constructed in 1976, each rated at 5,088 MMBTU/hour, are subject to Title IV (Acid Deposition Control) of the Clean Air Act, as defined in 326 IAC 2-7-1(3).

An Acid Rain permit (153-5061-00005) was issued on December 31, 1997. This Acid Rain permit is incorporated by reference in the Part 70 permit.
- (5) Compliance Assurance Monitoring (CAM)
The large emission units at the Hoosier Energy plant are subject to 40 CFR Part 64 CAM. SO₂ CEMS, NO_x CEMS and COM are used to show continuous compliance.

State Rule Applicability

- (1) 326 IAC 1-5 (Episode Alert)
Hoosier Energy is subject to the emergency reduction plan (ERP) because the source has PTE of 100 tons/year or more.
- (2) 326 IAC 1-6-3 Preventive Maintenance Plan (PMP)
 - (a) Unit 1 and Unit 2 and corresponding control equipment are subject to the PMP requirements.
 - (b) The 2 auxiliary boilers are subject to the PMP requirements.
 - (c) The coal processing and handling operations are subject to the PMP requirements.
 - (d) The limestone storage and handling operations and corresponding control equipment are subject to the PMP requirements.
 - (e) IDEM has the authority to require PMPs. The authority to require a source to have PMPs is under the Part 70 program. The Part 70 rules indicate the PMP requirement in:
 - 326 IAC 2-7-4(c)(4)(9), which requires the Part 70 application confirms the existence of an on-site PMP.
 - 326 IAC 2-7-5(13), which requires the Part 70 permit to have a provision regarding a PMP.

The Part 70 rule refers back to the PMP as required and described under 326 IAC 1-6-3.

326 IAC 1-6-3 applies to any person responsible for operating a facility shall prepare and maintain a PMP including the requirements specified in 326 IAC 1-6-3(a) to (a)(3).

326 IAC 1-2-26 defines Facility as any one structure, piece of equipment, installation or operation, which emits or has the PTE any air contaminant.

Based on this, PMP is required for any one structure, piece of equipment, installation or operation, which emits or has the PTE any air contaminant.

However, 326 IAC 1-6-3 (a)(1) is limited, in that it requires only the identification of the personnel in charge of the emission control equipment.

- (3) 326 IAC 1-7 (Stack Height Provisions)
The source is subject to the stack height provisions because it has a PTE of 25 tons/year or more of PM and SO₂.

Unit 1 and Unit 2 exhaust through each of their own 19-foot diameter flue liners, which are housed in a 700-foot stack that is shared by both units.

- (4) 326 IAC 2-2 Prevention of Significant Deterioration (PSD)

(a) Unit 1 and Unit 2 - - 1976
This source is considered a major source; however, no PSD limits apply to the 2 coal fired boilers (Unit 1 and Unit 2) because they were constructed before the PSD rules became effective.

(b) Auxiliary Boilers - - 1980
On May 1, 1979, an Exemption letter was issued to Hoosier Energy for the construction of 2 boilers, each rated at 81.2 MMBTU/hour. This Exemption letter specified that the 2 boilers will be fired with No. 2 fuel oil only, will be used for space heating and will become emergency standby when the main boilers go into commercial operation.

Two auxiliary boilers have been constructed, however, each boiler has a higher capacity than what was indicated in the Exemption letter. The 2 boilers are each rated at 93.0 MMBTU/hour.

These 2 auxiliary boilers were constructed in 1980, thus, they have to be re-evaluated under the PSD program.

The source was an existing PSD major source prior to the installation of the 2 auxiliary boilers. The 2 auxiliary boilers have to be limited in terms of fuel usage, such that major PSD review requirements do not apply. SO₂ is the main pollutant of concern for No. 2 fuel oil combustion at these boilers. Limiting the oil usage based on the SO₂ emissions will also make the PTE of the other criteria pollutants less than the PSD significant thresholds.

The 2 auxiliary boilers will be limited to less than 1,126,760 gallons of fuel oil per year based on the following calculations:

- (i) The emission factor (142S lbs/kgal) is from the AP-42 Compilation of Emission Factors, Table 1.3-2 for boilers with less than 100 MMBTU/hour capacity and using No. 2 distillate oil as fuel.

where: S = sulfur content of the No. 2 distillate oil

- (ii) The sulfur (S) content of the fuel oil is based on the allowed rate of 0.5 lbs/MMBTU, specified in 326 IAC 7-1.1-2(a)(3).

- (iii) SO₂ Limited PTE tons/yr = (Limited Usage kgallons/yr)*(Emission factor 142S lb/kgal)*(1 ton/2000 lb)

$$\text{Less than 40 tons/yr} = (\text{Limit}) * (142) * (0.5) * (1/2000)$$

$$\text{Limit} = 1,126,760 \text{ gallons of fuel oil per year}$$

- (c) Coal and Limestone handling and Storage Systems - - 1976
This source is considered a major source; however, no PSD limits apply to these operations because they were constructed before the PSD rules became effective.
- (5) 326 IAC 2-6 (Emission Reporting)
Hoosier Energy is subject to 326 IAC 2-6 (Emission Reporting), because it has the potential to emit of 100 tons/year or more of particulate matter less than ten (10) microns (PM₁₀), sulfur dioxide (SO₂), volatile organic compounds (VOC), nitrogen oxides (NO_x), and carbon monoxide (CO).
- (6) 326 IAC 2-7-1(21) (Insignificant Activities)
This TSD lists all the insignificant activities as indicated in the Part 70 application. However, only insignificant activities that have requirements specifically applicable to such activities will be listed in the proposed Part 70 permit. If an insignificant activity is not subject to specific applicable requirements, such activity will not be listed in the proposed Part 70 permit.
- The following are the insignificant activities that have specific applicable requirements:
Degreasing operations that do not exceed 145 gallons per 12 months. [326 IAC 8-3-2]
[326 IAC 8-3-5]
- (7) 326 IAC 5-1 (Opacity Limitations)
Hoosier Energy (located in Sullivan County) is subject to the 40% opacity standard under 326 IAC 5-1-2. However, the NSPS 40 CFR Part 60 Subpart D specifies the opacity standard to be 20% for Unit 1 and Unit 2.
- IDEM does not have the authority to add a provision in the permit that will allow up to 2% of exceedances per quarter of the opacity standard and still be considered in compliance with the applicable opacity standard. However, IDEM will continue to use enforcement discretion in evaluating non-compliance with respect to opacity.
- (8) 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations (TAOL))
326 IAC 5-1-3 provided different opacity standards during start up and shutdown periods. However, the source may request different opacity standards. The detailed TAOL evaluations for the Unit 1, Unit 2 and the 2 auxiliary boilers are in the subsequent pages of this document.
- (9) 326 IAC 6-2-3 (Particulate Emissions Limitations)
(a) Unit 1 and Unit 2 - - 1976
Unit 1 and Unit 2 are subject to 326 IAC 6-2-3 because they were constructed prior to September 21, 1983.

Based on the equation and calculation below, Unit 1 and Unit 2 are limited to 0.30 pounds of PM per MMBTU.

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

Where C = 50 micrograms/m³
Q = total source capacity (MMBTU/hr)
N = number of stacks

a = 0.8
 h = average stack height (feet)
 Pt = lb/MMBTU

$$h = \frac{(700 \times 0.06 \times 5,088) + (700 \times 0.06 \times 5,088)}{(0.06)(5,088) + (0.06)(5,088)} = 700 \text{ ft}$$

$$Pt = \frac{(50)(0.8)(700)}{(76.5)(10,176)^{0.75}(2)^{0.25}} = 0.30 \text{ lbs/MMBTU}$$

However, pursuant to 326 IAC 6-2-1(f), if the limitation based on this equation is not consistent with the applicable limitations contained in NSPS 40 CFR Part 60 and 326 IAC 12, then the NSPS limitation prevails.

40 CFR Part 60 Subpart D specified the PM limit to be 0.10 lb/MMBTU. This supersedes the PM limit determined under 326 IAC 6-2-3.

(b) Auxiliary Boilers - - 1980

The 2 auxiliary boilers, each rated at 93.0 MMBTU/hr, are subject to 326 IAC 6-2-3 because they were constructed prior to September 21, 1983.

Based on the equation and calculation below, the 2 auxiliary boilers are limited to 0.27 pounds of PM per MMBTU.

This equation is specified in 326 IAC 6-2-3(a) and the Q, N and h are based on the methodology specified in 326 IAC 6-2-3(c). This calculation does not change the PM limits of Unit 1 and Unit 2, as instructed in 326 IAC 6-2-3(c).

$$Pt = \frac{(C)(a)(h)}{76.5(Q^{0.75})(3)^{0.25}}$$

Where C = 50 micrograms/m³
 Q = total source capacity (MMBTU/hr)
 N = number of stacks
 a = 0.8 plume rise factor
 h = average stack height (feet)
 Pt = pounds of particulate matter emitted per million Btu heat input (lb/MMBTU)

$$h = \frac{(700 \times 0.06 \times 5,088) + (700 \times 0.06 \times 5,088) + (254 \times 0.04 \times 93) + (254 \times 0.04 \times 93)}{(0.06)(5,088) + (0.06)(5,088) + (0.04)(93) + (0.04)(93)}$$

$$h = 694 \text{ ft}$$

$$Q = 5,088 + 5,088 + 93 + 93 = 10,362 \text{ MMBTU/hr}$$

$$Pt = \frac{(50)(0.8)(694)}{(76.5)(10,362)^{0.75}(3)^{0.25}}$$

$$Pt = 0.27 \text{ lbs/MMBTU}$$

(c) 326 IAC 6-2-3(e) specifies the particulate emissions from any facility, which has a capacity of 250 MMBTU/hr or less, and which begun operation after June 8, 1978 shall in no case exceed 0.6 lb/MMBTU. This limit applies if in case the PM limit based on the equation under 326 IAC 6-2-3 is higher than 0.6 lb/MMBTU. The PM limit (0.27 lbs/MMBTU) derived from the equation prevails because it is more

stringent than 0.6 lbs/MMBTU.

(10) 326 IAC 6-3-2 (Particulate Emissions Limitations)

- (a) Coal storage and handling system - - 4,351,419 tons per year.

Interpolation and extrapolation of the data for the process weight rate in excess of 60,000 pounds per hour (30 ton/hr) shall be accomplished by use of the following equation:

$$\begin{aligned} E &= 55.0 P^{0.11} - 40 & \text{where } E &= \text{rate of emission in pounds per hour; and} \\ E &= 55.0(497)^{0.11} - 40 & P &= \text{process weight rate in tons per hour} \\ E &= 68.88 \text{ lbs/hour} & P &= (4,351,419 \text{ tons/yr})/(8760 \text{ hrs/yr}) \\ & & &= 497 \text{ ton/hr} \end{aligned}$$

Compliance is shown by partially enclosing the operations as feasible, in addition to the application of wet spray suppressants.

- (b) Limestone storage and handling system - - 259,629 tons per year

The allowable particulate emission rate is based on the following equation because the process weight rate is less than 30 ton/hr.

$$\begin{aligned} E &= 4.10 P^{0.67} & \text{where } E &= \text{rate of emission in pounds per hour;} \\ E &= 4.10(29.566)^{0.67} & P &= \text{process weight rate in tons per hour} \\ E &= 39.64 \text{ lbs/hour} & P &= (259,000 \text{ tons/yr})/(8760 \text{ hrs/yr}) \\ & & &= 29.566 \text{ ton/hr} \end{aligned}$$

Baghouses are used to show compliance.

- (c) These operations are subject to this specific particulate rule because these particulate emitting processes are not specifically listed as exempted operations.

(11) 326 IAC 6-4 (Fugitive Dust Emissions)

326 IAC 6-4 applies to all sources of fugitive dust, thus this source is subject to this rule. Fugitive emissions from vehicular traffic are controlled by water suppressant, as necessary.

(12) 326 IAC 6-5 Fugitive PM emission Limitations

Sullivan County is not one of the listed counties in this rule.

(13) 326 IAC 7-1.1-2 Sulfur Dioxide (SO₂)

Hoosier Energy is subject to the SO₂ requirements under 326 IAC 7-1.1.-1 because it has a PTE of 25 tons/yr or 10 lbs/hr of SO₂.

- (a) Unit 1 and Unit 2

Unit 1 and Unit 2 are specifically regulated under 326 IAC 7-4-7.

- (b) Auxiliary Boilers

The 2 auxiliary boilers are not specifically regulated under 326 IAC 7-4-7.

Therefore, they are subject to the SO₂ limit under 326 IAC 7-1.1-2(a)(3) - - 0.5 lb/MMBTU for distillate oil combustion.

(14) 326 IAC 7-3-1 (Sulfur Dioxide Ambient Monitoring)

Hoosier Energy is subject to the sulfur dioxide ambient monitoring requirements because

it has actual sulfur dioxide emissions of 10,000 tons per year or more and there were no alternative limitations established in a Part 70 permit in accordance with 326 IAC 2-7-24. A continuous ambient sulfur dioxide air quality monitor and a meteorological data acquisition according to a monitoring plan have been submitted.

- (15) 326 IAC 7-4-7 (Sullivan County Sulfur Dioxide (SO₂) Emissions Limitations)
Unit 1 and Unit 2 are regulated under 326 IAC 7-4-7, which specified that the SO₂ emissions shall not exceed 1.2 lbs/MMBTU.

Compliance is shown by the use of scrubbers.

- (16) 326 IAC 8 (VOC Rules)
There are no VOC rules that apply to the 2 coal fired boilers because they were constructed prior to 1980.
- (17) 326 IAC 8-3-2 & 326 IAC 8-3-5(a)(b) (Volatile Organic Compounds (VOC))
The cold cleaner is subject to the requirements under 326 IAC 8-3-2 and 326 IAC 8-3-5(a).
- (18) 326 IAC 9 (CO Rules)
Hoosier Energy is not subject to this rule because power generation is not one of the operations listed in the rule.
- (19) 326 IAC 10-4 (NO_x Budget Trading Program)
Pursuant to 326 IAC 10-4-2(16) Units 1 and 2 are considered "electricity generating units (EGUs) because they commenced operation before January 1, 1997 and served a generator during 1995 or 1996 that had a nameplate capacity greater than twenty-five (25) megawatts that produced electricity for sale under a firm contract to the electric grid. Pursuant to 326 IAC 10-4-1(a)(1), an EGU is a NO_x budget unit. Because this source meets the criteria of having one (1) or more NO_x budget units, it is a NO_x budget source. The Permittee shall be subject to the requirements of this rule. The NO_x authorized account representative has already submitted the NO_x Budget permit application on November 19, 2001.

Detailed evaluation of the NO_x Budget Trading Program is presented in the subsequent pages of this TSD.

- (20) 326 IAC 11 (Emission Limitations for Specific Type of Operations)
Electric generating plants are not one of the operations listed in 326 IAC 11.
- (21) 326 IAC 12 New Source Performance Standards (NSPS)
This state rule references the NSPS 40 CFR 60 Federal rules. Detailed evaluations have been shown under the Federal Rule Applicability Section of this TSD.
- (22) 326 IAC 14 Hazardous Air Pollutants (HAPs)
This state rule references the 40 CFR Part 61 Federal rules. There is no 40 CFR Part 61 applicable to this source.
- (23) 326 IAC 15 (Lead Rules)
Hoosier Energy is not one of the sources specifically listed in this rule.
- (24) 326 IAC 17 (Public Records)
There is no confidentiality request made by Hoosier Energy regarding the Part 70 permit review.

- (25) 326 IAC 20 Hazardous Air pollutants (HAPs)
This state rule references the 40 CFR Part 63 federal rules. There is no 40 CFR Part 63 that apply to this source.
- (26) 326 IAC 21 (Acid Deposition Control)
This state rule references the Acid Rain Federal program. Unit 1 and Unit 2 are subject to the Acid Rain program.

An Acid Rain Permit (153-5061-00005) was issued on December 31, 1997.

TAOL Criteria

(1) Background

Most of the existing state operating permits for utilities with coal-fired boilers included alternative opacity limits for periods of startup and shutdown. These pre-existing alternative limits, also known as opacity exemptions, were not federally enforceable. The Part 70 permits for these sources include federally enforceable Temporary Alternative Opacity Limits (TAOLs). IDEM is bound by the provisions in 326 IAC 5-1-3(e) to establish limits which, among other things, limit the duration and extent of excess emissions to the greatest degree practicable, and minimize the duration and extent of excess emissions.

The EPA used its September 20, 1999, memorandum entitled "State Implementation Plans: Policy Regarding Excess Emissions During Malfunctions, Start-up, and Shutdown" to evaluate the exemptions provisions in 326 IAC 5-1-3(e). To be approved, the provisions must meet the following requirements:

- (a) The revision must be limited to specific, narrowly defined source categories using specific control strategies.
- (b) Use of the control strategy for this source category must be technically infeasible during start-up or shutdown periods.
- (c) The frequency and duration of operation in startup or shutdown mode must be minimized.
- (d) As part of its justification of the SIP revision, the state should analyze the potential worst-case emissions that could occur during start-up and shutdown.
- (e) All possible steps must be taken to minimize the impact of emissions during start-up and shutdown on ambient air quality.
- (f) At all times, the facility must be operated in a manner consistent with good practice for minimizing emissions.
- (g) The owner or operator's actions during start-up and shutdown periods must be documented by properly signed, concurrent operating logs, or other relevant evidence.

EPA has determined that language in the Indiana rule does satisfy the September 20, 1999 policy requirement. 326 IAC 5-1-3(e) states that each facility must submit documentation including, but not limited to, historical opacity information during periods of start-up and shutdown and other pertinent information and proposed permit conditions that limit the duration and extent of excess emissions to the greatest practicable extent.

The rule was effective on November 8, 1998.

- (2) 326 IAC 5-1-3
326 IAC 5-1-3(a) and (b) provide opacity limitations at 60% when building a new fire in a boiler and when removing ashes from fuel bed or furnace in a boiler or blowing tubes. However, pursuant to 326 IAC 5-1-3(e), a temporary alternative opacity limitation (TAOL) for longer duration and greater opacity may be granted, in accordance with the following:
- (3) 326 IAC 5-1-3(d)(1)
The source burns the following fuels alone or in combination with each other: coal, wood, No. 4, 5 or 6 fuel oil, tire-derived fuel and pet coke.
- (4) 326 IAC 5-1-3(d)(2)
The source demonstrate that the TAOL is needed and justifiable during periods of start up and shutdown or when removing ashes from the fuel bed or furnace in a boiler or blowing tubes by providing a written petition.
- (5) 326 IAC 5-1-3(d)(2)(D)
The written petition shall:
 - (a) Request a SIP revision to establish a TAOL. [326 IAC 5-1-3(d)(2)(A)]
 - (b) Demonstrate that during periods of start up and shutdown, or when removing ashes, the standard limits can not be met and that the source maintain and operate the boilers and their control consistent with good air pollution control practices. [326 IAC 5-1-3(d)(2)(B)]
 - (c) Demonstrate during periods of start up and shutdown, the TAOL will not impact the maintenance of NAAQS. [326 IAC 5-1-3(d)(2)(C)]
 - (d) Demonstrate that during routine operations, the source is in compliance with the standard opacity limitation.
- (6) 326 IAC 5-1-3(d)(3)
A determination of whether acceptable operating and maintenance procedures are being used.
- (7) 326 IAC 5-1-3(d)(4) and [326 IAC 5-1-3(d)(6)(A)]
As a condition of TAOL, the source may be required to install a certified COM or require to install a COM at a later date if the COM is necessary to show compliance with the TAOL.
- (8) 326 IAC 5-1-3(d)(5)
For sources required to install COM that do not have it before, the TAOL shall be reviewed after 2 years of monitoring.
- (9) 326 IAC 5-1-3(d)(7)
The TAOL shall be submitted to the US EPA as SIP revision.

TAOL Evaluations

- (1) Unit 1 and Unit 2 burn coal as fuel.
- (2) The 2 auxiliary boilers burn oil as fuel.

- (3) On March 21, 2000, Hoosier Energy submitted a written petition for a TAOL.
- (4) The petition includes historical compliance data, justification for a minimum acceptable firing rate during start up and shutdown periods to meet design specifications, and the proper operations of the control equipment during these periods.
- (5) A COM is already installed and used to measure opacity at the stack for Unit 1 and Unit 2.
- (6) There is no COM used to measure opacity at the stack for the 2 auxiliary boilers.
- (7) IDEM has determined the following TAOL requirements based on the written petition and supporting documents:

Unit 1

- (a) Unit 1 has existing TAOLs of 4 hours for startup periods or until the flue gas temperature entering the ESP reaches 250 °F, whichever occurs first.

Hoosier Energy recommended that the allowed time for startup periods be revised to:

- (i) 9 hours for warm start ups, and
- (ii) 24 hours for cold start ups.

- (b) Unit 1 has existing TAOL of 4 hour for shutdown periods.
- (c) IDEM is retaining the existing TAOLs for Unit 1.
- (d) Operation of the electrostatic precipitator is not required during these periods unless necessary to comply with these limits.

Unit 2

- (a) Unit 2 has existing TAOLs of 4 hours for startup periods or until the flue gas temperature entering the ESP reaches 250 °F, whichever occurs first.

Hoosier Energy recommended that the allowed time for startup periods be revised to:

- (i) 9 hours for warm start ups, and
- (ii) 24 hours for cold start ups.

- (b) Unit 2 has existing TAOL of 4 hours for shutdown periods.
- (c) Operation of the electrostatic precipitator is not required during these periods unless necessary to comply with these limits.
- (d) After making several modifications to Unit 2, Hoosier Energy continues to report opacity exceedances during start-ups of the boiler. These opacity levels are exceeding the allowed 20% standard cited in 40 CFR 60.42(a)(2). IDEM has been working with Hoosier Energy in addressing this matter. \

To address this continuous compliance problem, Hoosier Energy evaluated the following options:

- (i) Improve of the existing igniter performance
- (ii) Air Heater Air Side Bypass
- (iii) Install Natural Gas Igniters
- (iv) Install Smokeless Oil Igniters
- (v) Use One Scrubber Module During Start up

Based on the technical and economical feasibility studies made by Hoosier Energy, the options chosen were:

- - the improvement of the existing igniter performance, and
- - installing natural gas igniter(s).

- (e) Based on the most recent correspondence from Hoosier Energy, dated May 22, 2003, Hoosier Energy is continuing to address the burner system optimization. Hoosier Energy recommended that an 18-month period from the issuance of the Part 70 permit be provided to focus and address the burner system optimization to fully achieve compliance with the TAOLs. Hoosier Energy believes that the burner optimization should be continued before other measures, such as smokeless igniters, be considered as possibilities. A compliance schedule will be specified in the Part 70 permit to provide the appropriate transition period to comply with the TAOLs.

Auxiliary Boilers

- (a) There are no existing TAOLs specified for the 2 auxiliary boilers.
- (b) The opacity standards specified in 326 IAC 5-1-3 (a) apply to the 2 auxiliary boilers.

NO_x Budget Trading Program

- (1) **Emission Units Applicability**
Pursuant to 326 IAC 10-4-2(16), Unit 1 and Unit 2 are considered "electricity generating units (EGUs)" because each unit commenced operation prior to January 1, 1997 and served a generator that has a nameplate capacity greater than twenty-five (25) megawatts that produced electricity for sale under a firm contract to the electric grid.

Pursuant to 326 IAC 10-4-1(a)(1), an "EGU" is a Nitrogen Oxides (NO_x) budget unit. Because this source meets the criteria of having one (1) or more NO_x budget units, it is a NO_x budget source. The Permittee shall be subject to the requirements of this rule.

- (2) **NO_x Budget Permit Application**
A complete NO_x Budget Permit Application for this NO_x budget source was received on November 27, 2001. The NO_x budget source is owned and operated by the Hoosier Energy REC Inc. and the ORIS code is 6123.

Pursuant to 326 IAC 10-4-7, the NO_x budget permit shall be a complete and segregable portion of the Part 70 permit and the NO_x budget portion of the Part 70 permit shall be administered in accordance with 326 IAC 2-7, except as provided otherwise by 326 IAC 10-4-7.

- (3) **NO_x Budget Program Description**
On October 27, 1998, the U.S. EPA promulgated final federal rules requiring 22 states and the District of Columbia to submit state implementation plan (SIP) revisions to reduce the regional transport of ozone. The federal rule focused on reducing NO_x emissions in the affected states. In the federal rule, the U.S. EPA established a NO_x emission "budget" for each of the affected states and the District of Columbia. The "budget" represents a reduction from emissions in the year 2007 that the U.S. EPA believes will reduce the transport of NO_x emissions and will assist downwind areas in meeting ozone air quality standards. The states must demonstrate compliance with the "budget" by implementing control measures to reduce NO_x emissions beginning May 31, 2004. While the rule does not mandate which sources will have to reduce emissions, the rule did provide options that would result in a 65% reduction of NO_x emissions from utility boilers and a 60% reduction from large industrial (non-utility) boilers and turbines. IDEM developed the NO_x Budget Trading Program in 326 IAC 10-4 in response to this mandate. The NO_x reductions that will be achieved by this rule will result in significant air quality improvements throughout the state of Indiana, and will be especially important in those areas of the state where ozone levels exceed or regularly approach state and federal air quality health standards.

The Nitrogen Oxides Budget Trading Program is a regional cap and trade program among all the states subject to the NO_x SIP call. Electricity generating units (EGUs) and non-electricity generating units (non-EGUs) are allocated allowances for tons of NO_x that they are allowed to emit during the ozone season. IDEM allocates NO_x allowances for the affected units, and owners or operators of these units are able to buy, sell, or trade allowances, as necessary, to demonstrate compliance with the unit's NO_x emissions cap. Because this program is a regional program administered by U.S. EPA, sources are able to buy, sell or trade allowances across state boundaries and between different types of units and sources. More information about the NO_x SIP Call can be found at: <http://www.epa.gov/airmarkets/fednox/index.html>, <http://www.in.gov/idem/air/standard/Sip/index.html>, and <http://www.access.gpo.gov/nara/cfr/index.html>

- (4) **Compliance Schedule**
The NO_x budget units shall be subject to the requirements under 326 IAC 10-4-4(c)(1) starting on May 31, 2004.
- (5) **NO_x CEMS**
The NO_x Budget Trading Program references monitoring and reporting requirements from the Acid Rain program at 40 CFR Part 75. These provisions require, for most sources, the use of continuous emissions monitors (CEMs). A CEM is a system composed of various equipment that continuously measures the amount of nitrogen oxides emitted into the atmosphere in exhaust gases from the NO_x budget unit's stack.
- (6) **NO_x Emissions Allocations**
The NO_x allocations for each ozone season and transaction information can be found at: <http://www.epa.gov/airmarkets/tracking/factsheet.html>. In addition, IDEM, OAQ posts proposed allocations prior to submitting them to the U.S. EPA on the following web site: <http://www.in.gov/idem/air/standard/Sip/index.html>.

Testing Requirements

- (1) In September, 2003, Unit 1 and Unit 2 have been tested for particulate matter (PM) emissions.

- (2) PM testings will be required for Unit 1 and Unit 2 on a 2-calendar year cycle.
- (3) No SO₂ and NO_x testings will be required for Unit 1 and Unit 2 because compliance is verified by the use of CEMS.
- (4) The 2 auxiliary boilers are permitted in terms of fuel usage such that the PSD requirements do not apply. No testing requirement will be specified for the 2 auxiliary boilers because fuel certification is sufficient to verify compliance.
- (5) The NSPS 40 CFR Part 60, Subpart Y requires compliance with the opacity standard using Method 9. Performance test will be required for the coal handling and processing except coal unloading.
- (6) No testing requirement will be specified for the limestone handling and storage systems.

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.

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 appropriate corrective actions within a specific time period.

- (1) Compliance monitoring will be required for the Unit 1 and Unit 2 and their corresponding control equipment.
- (2) SO₂ CEMS are used to show compliance with the SO₂ limits specified for Unit 1 and Unit 2. Excess emissions from the SO₂ limits specified under 326 IAC 7-4-4 are to be submitted on a quarterly manner.
- (3) NO_x CEMS are used to show compliance with the NO_x limits specified for Unit 1 and Unit 2.
- (4) A COM is used to show compliance with the opacity limit specified for Unit 1 and Unit 2.
- (5) In addition to PM testing, opacity trigger levels for Unit 1 and Unit 2 have been specified which serve as surrogate parameters.
- (6) Record keeping and reporting of the fuel oil used by the 2 auxiliary boilers will be required. This is in addition to performing visible emission notations. Hoosier Energy will also be provided with different options to verify compliance with the SO₂ limits for the 2 auxiliary boilers. Hoosier Energy may confirm compliance by using vendor's certifications.
- (7) Compliance with the opacity standard established for the coal crushing, breaking and screening will be shown by Method 9, pursuant to 49 CFR 60.254(b)(2). No frequency in performing Method was indicated in the NSPS.

Since coal unloading is not subject to the NSPS 40 CFR Part 60 opacity standard, compliance is shown by performing visible emission notation on a once per shift frequency.

- (8) Visible emissions notations (once per shift basis) and dust suppressant (as needed) will be required for the coal handling/processing system (maximum capacity of 4,351,419 tons/yr) because this system is a significant process of the station.
- (9) Visible emissions notations, monitoring the pressure drops of the baghouses, and inspections of bag will be required for the coal handling/processing system (maximum capacity of 259,629 tons/yr) because this system is a significant process of the station.

Visible emissions notations and the monitoring of the baghouses pressure drops are performed on a once per shift basis, while the baghouse inspections are performed on a quarterly basis.

Recommendation

The staff recommends to the Commissioner that the Part 70 permit be approved.

Hoosier Energy provided comments and clarifications in April, 1999, October, 2002 and March, 2003, when pre-public notice drafts were provided for review.

Conclusion

The operation of this electric generating station shall be subject to the conditions of the attached proposed Part 70 Permit No. T153-6931-00005.

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

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

Source Background and Description
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Source Name:	Hoosier Energy Rural Electric Cooperative Merom Generating Station
Source Location:	State Highway 54 West, Sullivan, Indiana 47882
County:	Sullivan
SIC Code:	4911
ORIS Code:	6213
Responsible Official:	Manager, Power Production
Source Telephone Number:	(812) 876-2021
Operation Permit No.:	153-6931-00005
Permit Writer:	Iryn Calilung 317/233-5692 icalilun@dem.state.in.us

Public Notification

On December 19, 2003, the Office of Air Quality (OAQ) had a notice published in the Sullivan Daily Times, Sullivan, Indiana, stating that a draft Part 70 operating permit and supporting documents for Hoosier Energy Rural Electric Cooperative, Merom Generating Station (Hoosier Energy) have been provided for public comment.

The public comment period ended on January 19, 2004.

Comments Received

On December 18, 2003 and January 16, 2004, the OAQ received comments from the law office of Barnes and Thornburg, on behalf of Hoosier Energy. The comments are summarized in the subsequent pages, with corresponding responses.

On January 21, 2004, the OAQ received comments from the Indiana Electric Utility Air Work Group (IEUAWG). The comments are similar to the comments submitted by Barnes and Thornburg. Supplemental comment was submitted by the IEUAWG on March 2, 2004.

Changes due to these comments are shown in ~~strikeout~~ fonts for deleted languages and **bold** fonts for new languages.

In addition, the OAQ has initiated some minor revisions to the draft permit to correct typographical errors or to provide further clarity.

The IDEM does not amend the Technical Support Document (TSD). The TSD is maintained to document the original review. This addendum to the TSD is used to document responses to comments and changes made from the time the permit was drafted until a final decision is made.

Compliance Response Plan (CRP)

IDEM is not authorized to impose a requirement to develop and implement a “compliance response plan” (Condition C.15), and this condition should be deleted. There is no requirement in the Indiana regulations or statutes that a source develop a “CRP” - - on the contrary, that term is not defined anywhere. “Title V does not impose substantive new requirements”, but instead requires that all the “applicable requirements” be consolidated into one document - - the Part 70 Operating Permit.

See:

- - New York Public Interest Research Group v. Whitman, 321 F3d316,620(2dCir.2003)
- - EPA statement in the FR with respect to Indiana’s Part 70 program: “Applicable requirements must exist independently of Title V Permits... Title V Authority cannot modify existing applicable requirements”. 67 FR 34,844,34,847 (May 16, 2003)

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

See:

- - Charles A Beard Classroom Teachers Ass’n v. Bd of School Trustees, 668 N.E.2d 1222, 1224 (Ind. 1996)
- - Gordon v. Review Bd. of Indiana Employment Sec. Division (1981) Ind. App., N.E.2d 1364.
- - Indiana State Bd., etc. v. Keller (1980) Ind., 409 N.E.2d 583.
- - Indiana Civil Rights Commission v. Holman, (1978) 177 Ind. App. 648, 380 N.e.2d 1281.
- - Monon Railroad Company v. Citizens of Sherwood Forest, Marion County (1969) 146 Ind. App. 620, 257 N.E.2d 846.
- - Good v. Western Pulaski County School Corp., (1965) 139 Ind. App. 567, 210 N.E.2d 100.
- - Boone County Rural Elec. Membership Corp., v. Public Service Commission of Ind., (1958) 129 Ind. App. 175, 155 N.E.2d 149.
- - Indiana state Bd. of Embalmers v. Kaufman, 463 N.E.2d 513, 521-22 (Ind. Ct. App. 1984).

However, Hoosier Energy would be willing to accept this condition if the specific monitoring conditions are acceptable. In any event, a source should not be found in violation if it fails to follow such a plan because every eventuality can not be predicted in advance.

Hoosier Energy would strongly object to any restrictions on when response steps can be taken, and it requests a modification to Condition C.15(b)(3) to ensure that Hoosier energy is not required to coordinate response steps around IDEM’s schedule. We are not sure what the purpose of this notification is, but we would strongly object to any requirement for Hoosier Energy to wait until an inspector is available before such corrective action steps may be implemented. We recommend that this condition include the following additional sentence:

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

IDEM Response:

An important goal of the Part 70 Operating Permit program is to assure that each Permittee has the ability to assure compliance with applicable requirements on a continuous basis.

During the development of the Part 70 permit program, IDEM worked with interested parties, such as the:

Clean Air Strong Economy (CASE)

Clean Air Act Advisory Council's Permit Committee,
Indiana Manufacturing Association (IMA),
Indiana Chamber of Commerce, and
Individual Part 70 sources.

A consensus was reached that written plans, outside of the permit document, such as the Compliance Response Plan (CRP), are vital tools that the Permittee can implement to ensure compliance. Plans are also the documents to implement if an emission unit or air pollution control device deviates from its normal operation.

It is correct that 326 IAC 2-7-5 and 326 IAC 2-7-6 do not have or use the exact term "CRP" however, 326 IAC 2-7-6(6) provides the Department the authority to specify provisions in the Part 70 Operating Permit as the Commissioner may require with respect to ensuring compliance with applicable requirements. IDEM has determined that a CRP provision is necessary with respect to compliance assurance.

The requirement to develop and implement the plan does not prescribe any new applicable requirement. The CRP is a compilation of reasonable responses, schedules, work practices and other information developed by the Permittee from the standpoint of good business practices and the prevention of environmental problems. The Permittee has to implement these reasonable responses and schedules to maintain or return to compliance. The steps documented in the plan are reasonable actions to be taken for specific deviations that occur at the emission unit or control device.

Permittees already have maintenance schedules and trouble shooting guidelines that specify options and steps to be taken when the emission unit or control device is not operating or functioning properly. The Permittee has the knowledge, expertise and experience on how to operate the equipment at the plant, and is required to develop the CRP based on this knowledge, experience and expertise. The CRP maintains the documentation, such that changes in personnel will not hinder the proper operation of the emission unit and control device. The CRP provides the plant's employees a quick reference on how to respond when an emission unit or air pollution control device deviates from its normal operation, thus avoiding long periods of deviations.

In addition, the Indiana Code IC 13-14-1-13 (Duties of the Department: Monitoring and Reporting) states the following:

- The Commissioner shall establish and administer monitoring and reporting requirements as necessary to carry out the duties and exercise the powers provided in the following:
- (1) Air pollution control laws.
 - (2) Water pollution control laws.
 - (3) Environmental management laws.

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

The notification requirement in Condition C.15(b)(3) only applies to situations where the emissions unit will continue to operate for an extended period of time while the compliance monitoring parameter is out of range. It is intended to provide IDEM an opportunity to assess the situation and determine whether any additional actions are necessary to demonstrate compliance with any applicable requirements. There is no change to the draft permit due to this comment.

Preventive Maintenance Plan (PMP)

(1) Condition B.10 Preventive Maintenance Plan (PMP)

Hoosier Energy objects to the expansion of the PMP requirements. In several places of the permit, the permit includes PMP requirements for emission control devices and “facilities”, and it also includes specific detailed maintenance requirements to be performed on the equipment. We object to those conditions on the following grounds.

First, there is no direct statutory or regulatory authority, state or federal, for the PMP requirement at all. The PMP 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 permit under 326 IAC 2-5.1 or 326 IAC 2-6.1.

- - 326 IAC 2-5.1 applies to construction of “new source” built after late 1998 and exempts “existing sources” operating pursuant to a permit issued under 326 IAC 2-6/1 or 2-7. So, it does not apply to these units.
- - 326 IAC 2-6.1 applies to sources in existence before December 25, 1998, that meet an applicability criterion in 326 IAC 2-5.1-3(a), “except for sources required to have a Part 70 permit as described in 326 IAC 2-7...”. Thus, it does not apply to these units either.

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

Third, it is not within IDEM’s authority for it to develop the plans and then impose them on the companies. On the contrary, the PMP regulations state that the “person responsible for operating [the subject facility] shall prepare and maintain a PMP”. It is the source, not the regulatory agency that is obligated to develop any necessary plans. We object 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.

(2) Condition D.1.6, D.2.6, D.3.5, and D.4.4 PMP

(a) IDEM should modify Condition D.1.6 to indicate required only for its control devices, or for emitting units, to be consistent with the PMP rule set out at 326 IAC 1-6-3.

IDEM should also remove D.1.6(b) and (c) since those actions are to be determined by the Permittee, not IDEM. Permits are designed to establish regulatory requirements and do not demand compliance with those requirements. The method by which a source achieves compliance is within their sound discretion. Prescribing inspection requirements are outside the jurisdiction of IDEM. Each source must determine what to inspect and the frequency based on the performance of the piece of equipment. Each source maintains PMPs for these pieces of equipment, and if there are compliance problems, IDEM may see to require the PMPs to be improves. Conditions D.1.6(b) and (c) are totally inappropriate.

(b) Condition D.2.6 should be deleted because no emission control devices exist on these boilers.

- (c) Condition D.3.5 (if this condition is retained in the permit) should be modified to indicate that it is only applicable for the control devices.
- (d) Condition D.4.4 (if retained in the permit) should only apply to control devices.

IDEM Response:

The Preventive Maintenance Plan (PMP) 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 (PMP) requirement found in 326 IAC 1-6-3. This Preventive Maintenance Plan (PMP) 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 the wording in 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. 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."

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

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 cites are included as part of the title of the compliance monitoring section of the permit. The ESP must operate properly in order for the boilers to achieve compliance; therefore, It is reasonable and necessary to require the source to inspect the ESP periodically. The detailed requirements for inspecting the ESPs are taken from a US EPA Publication titled "Operation and Maintenance Manual for Electrostatic Precipitators", which is document number EPA/625/1-85/017.

There are no changes to Conditions B.10, D.1.6, D.2.6, D.3.4 and D.4.4 due to these comments.

IDEM is initiating the following change to Condition D.1.6(b)(ii) to clarify that the items to be inspected are applicable only if the ESP is equipped with such items.

- D.1.6 (b)(ii) 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, **unless the ESP is not so equipped**, the following inspections shall be performed: ...

Opacity and Temporary Alternative Opacity Limitation (TAOL)

(1) Condition D.1.1(c) NSPS Opacity

As currently written, the opacity limit will be impossible to comply with on an ongoing basis. Hoosier Energy believes that IDEM should allow some percentage of opacity exceedances when the unit utilizes a continuous opacity monitor to measure opacity levels. Condition D.1.1(c) established a 20% opacity limit, never to be exceeded except for periods of start up, shutdown, or emergency. However, IDEM has always allowed a certain percentage of exceedances, recognizing that even the best run equipment with the proper control technology will occasionally exceed this limit. As IDEM is aware, the current particulate technologies can not prevent all 6-minute opacity exceedances no matter how well maintained and operated the control equipment is. Historically, IDEM has handled this situation by allowing somewhere between 2 and 5% of the operating time to have opacity exceedances for all reasons before beginning an inquiry that could lead to an enforcement action. While this practice has been highly successful under the past permitting and compliance scheme, it will not work under Title V. However, since the same equipment that has been used in the past to comply with the particulate and opacity limits is still in place, it is still necessary to have this same allowance in place.

Hoosier Energy objects to this “never-to exceed” interpretation and requests that a 3% allowance be specified in the permit and still allow the certification of full compliance with the provisions of the permit under this section.

Hoosier Energy requests that Condition D.1.1(c) be modified to allow up to 3% exceedances per quarter for units operating continuous opacity monitors to constitute compliance as follows:

For all units that operate continuous opacity monitors, a level of 97% compliance or greater shall constitute with this requirement.

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

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

Finally, NPCA claims that TDEC’s interpretation that COM monitoring, with its 2% de minimis exception, is a more restrictive emission standard is unreasonable and, perhaps, therefore not facially valid. I disagree. I agree with the D.C. Circuit Court of Appeals that changing the method of measuring compliance with an emission limitation can affect the stringency of the limitation itself.

Obviously, monitoring the smokestack emissions continuously with equipment capable of reliably measuring the opacity will identify many more exceedances than will be identified by an operator “eyeballing” the smokestack emissions once per day, or less. I believe that it was completely reasonable for TDEC to consider the COM monitoring by TVA at its plants to be a more restrictive standard than the Tennessee SIP required and therefore concluding that EPA approval of that more restrictive standard was not necessary.

Other states such as OH, NC, KY and FL also have recognized exemption levels. Failure to include such an allowance provides a competitive disadvantage for the State of IN, without justification.

See:

- Appalachian Power company v. EPA, 208 F.3d 1015, 1027 (DC Cir 2000)
- Portland Cement Assn., v. Ruckelshaus, 486 F.2d 375, 396-97 (DC Cir. 1973).
- National Parks Conservation Assn. v Tennessee Valley Authority, 175 F. Supp. 2d 1071, 1078 (ED Tenn 2002).

A new statement or paragraph should be added in the TSD to reflect that 100% compliance with the 6-minute opacity standard is not within the performance parameters of available control technology, and that IDEM recognizes this situation and allows some exceedances, so long as air pollution control practices are followed. It is not the purpose of Title V to penalize existing sources or to change the standards. Utility boilers, the control technology, and the rules have not changed.

IDEM Response:

40 CFR Part 60 does not allow exemptions from the opacity limit up to 3% of the boiler operating time; therefore, IDEM cannot create such an exemption where one does not exist in the rule. IDEM can not add in the permit a provision allowing less than 100% continuous compliance with the opacity standards as an acceptable status. Such blanket approval of what is considered acceptable compliance contradicts with the main goal of the Part 70 Permit Program. IDEM will continue to work with the Permittee and use enforcement discretion in evaluating compliance with applicable requirements. IDEM has no plans how it evaluates opacity exceedances for purposes of exercising enforcement discretion.

There is no change to the draft permit due to these comments.

(2) Condition D.1.2 TAOL for Unit 1 and Unit 2

Hoosier Energy strongly objects to any requirement to convert to natural gas igniters as set out in Condition D1.2(c). Hoosier Energy strenuously objects to this requirement. No justification exists for requiring the conversion to natural gas igniters, and contrary to the statements in the technical support document, Hoosier energy never proposed this as a viable alternative. Condition D.1.2(c) should be revised because the use of natural gas igniters is not appropriate for this facility.

Hoosier Energy never indicated that natural gas igniter were in any way technical and economically feasible, and it object to the statement made in the TSD Page 20, and requests that it be deleted from permit documents.

In addition, as was discussed in Hoosier Energy's May 22, 2003 letter to IDEM, Hoosier Energy has been in process of addressing the burner system optimization. Once that is complete, it will evaluate the start up emissions. Should the emissions reductions not be at the required level, then additional measures will be implemented, perhaps including early energization of the outlet rows of the ESPs.

It is critical to continue the burner system optimization as this optimization is required before

certain other measures, such as smokeless igniters, could even be a possibility. For example, under the existing burner operations, it is unlikely that smokeless igniters would even function. Once the igniter optimization is complete, other measures, such as smokeless igniters on one or all three burner systems, will be considered, if necessary. It is important to realize that these igniters are substantially more expensive than previously estimated.

In light of these facts, Hoosier energy proposes to include the language submitted to IDEM in its letter dated March 4, 2003, which stated that it would achieve compliance within 18 months of the issuance of the permit in what ever manner that it finds to be appropriate. That would properly balance Hoosier Energy's need for flexibility and IDEM's needs.

IDEM Response:

Existing operating permits for Hoosier Energy have specified these opacity limits applicable during startups and shutdown periods of the boilers. Hoosier Energy is fully aware of these opacity requirements prior to the implementation of the Part 70 Operating permit program. Due to noncompliance, IDEM has provided Hoosier Energy the opportunity to choose options, and follow a compliance schedule with established milestones and transition period to comply with the applicable opacity standards on a continuous basis. Hoosier Energy may perform one or a combination of the options that have been discussed during the review or any options that Hoosier Energy may deem necessary, as long as at the end of the transition period, compliance is ensured.

IDEM agrees with the request to extend the transition period from one year to eighteen (18) months. It has to be noted that during this period: planning, installation, improvements, evaluation and testing necessary in order to ensure compliance should be completed such that by the end of the transition period continuous compliance with the opacity standards is achieved.

Condition D.1.2(c) is revised as follows to provide flexibility:

D.1.2(c) Within ~~one (1) year~~ **eighteen (18) months** of the issuance of this permit, the Permittee shall ~~begin implementing~~ **one or any combination of the following options in order to comply with the TAOL during startup and shutdown periods:**

- the improvements made on the existing igniters, ~~and/or~~
- **early energization of the electrostatic precipitators (ESPs),**
- the **installation and** use of natural gas **(smokeless) igniters, ~~and/or~~**
- **any installation and improvements that the Permittee deemed necessary in order to ensure compliance.**

~~during periods of startup and shutdown in order to comply with the TAOLs.~~

All applicable new source review requirements will be followed and satisfied prior to installation of ~~the new~~ **new** burners. There will be no change in the limit ~~after installation of the natural gas burners~~ **if natural gas burners are installed.**

- (3) Condition D.1.14 Maintenance of Continuous Opacity Monitoring Equipment
Hoosier Energy thinks that IDEM is not authorized to impose Condition D.1.14., but we acknowledge that this form of this condition is much better than the previous forms. Hoosier Energy could agree that Method 9 readings for 1/2 hour every 4 hours beginning 24 hours after the downtime commences is reasonable, and could agree that VE notations once per hour is

reasonable, but it requests that this process not be required until 4 hours after the commencement of the downtime. Hoosier Energy believes that this provision should be revised to allow more flexibility.

IDEM Response:

Pursuant to 326 IAC 2-7-5(3), a Part 70 permit must contain monitoring and related record keeping and reporting requirements, to assure continuous compliance. 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 continuous opacity monitor system (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 use 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.

The visible emission notations required in this condition are taken in response to COM downtime and, therefore, are required to assure continuous compliance pursuant to 326 IAC 2-7-5(3). The visible emission notations required are only normal/abnormal observations made by an employee trained in the appearance of normal emissions from that particular stack, rather than Method 9 visible emission readings required to be taken by a certified opacity reader. A trained employee for the purposes of this condition is defined as follows:

“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.”

It clearly is not an overly burdensome task for a trained employee to briefly observe the emissions from the stack once per hour to assure that emissions are normal.

There is no change in the draft permit due to this comment.

Compliance Monitoring

- (1) Condition C.10 Compliance Monitoring Implementation Date
- To the extent that these conditions remain in the permit, Hoosier Energy requests that IDEM confirm that the specific following plans and operational/monitoring activities are not required to be developed and implemented until 90 days after issuance of the permit:
- | | |
|---|----------------------------------|
| Preventive Maintenance Plan (PMP) | D.1.0, D.1.6, D.2.6, D.3.5 D.4.3 |
| Pressure Gauge and Other Instrument Specifications | C.12 |
| Emergency Reduction Plan (ERP) | C.13 |
| Compliance Response Plan (CRP) | C.15 |
| Maintenance of COM Equipment | D.1.14 |
| SO2 Monitoring System Downtime | D.1.15 |
| Opacity as Surrogate Parameter for PM Emissions | D.1.16 |
| T-R Sets | D.1.17 |
| Scrubber Inspections | D.1.18 |
| Visible Emissions Notations | D.2.9,D.3.8,D.4.6 |
| Parametric Monitoring | D.4.5 |
| Baghouse Parametric Monitoring | D.4.7 |
| Baghouse Inspections | D.4.8 |
| Broken or Failed Bag Detection | D.4.9 |
| All related Record Keeping and Reporting Requirements | |

IDEM Response:

Condition C.10 states that “ 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. ...” Condition C.20 (General Record Keeping Requirements) states “Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance”. These statements clearly explain that if a compliance monitoring or record keeping requirement is not already legally required, the Permittee has 90 days to begin implementation of the requirements.

The intent of these conditions is to provide sufficient time for the Permittee to develop plans, and implement any monitoring and recordkeeping requirements that were not previously required.

There is no change to the permit due to this comment.

- (2) Condition C.12 Pressure Gauge and other Instrument Specifications
- Condition C.12 should be deleted because these pressure gauges are utilized for process purposes, are not required by any SIP requirements, and the inclusion of these specification requirements is unauthorized and unwarranted.

IDEM Response:

IDEM staff in charge of inspecting the plants or observing compliance testing have encountered numerous gauges and instruments used by Permittee that are not equipped with proper scale and calibration. This results in inconsistency. The intent of this condition is to provide consistency and flexibility at the same time. The requirement to use proper scale applies only to gauges required by this permit to be monitored. This provision also provides the option for a Permittee to request

the use of other instruments with different gauges as long as the instruments can accurately measure the required parameters.

326 IAC 2-7-6(6) provides the authority to the Department to specify provisions in the Part 70 Operating Permit as the Commissioner may require with respect to ensuring compliance with applicable requirements. IDEM determined that proper scales and calibrations of gauges are necessary with respect to compliance assurance.

There is no change in the draft permit due to this comment.

(3) Condition D.1.17 Electrostatic Precipitator Operation

Hoosier Energy strongly objects to any specific requirements of monitoring primary voltage, and/or primary current on the electrostatic precipitators as a surrogate for determining performance of the control equipment when the opacity monitor is in service. We believe that this provision exceed IDEM's cited authority. Presumably, IDEM relies on 326 IAC 2-7-5(3) for imposing these additional monitoring and parametric requirements. However, the Indiana Air pollution Control Board could not have lawfully delegated that authority to IDEM. The Board's rulemaking authority can be exercised only with observance of elaborate procedural and substantive safeguards.

See:

- Ind. Code 13-14-8-4 and 13-14-9
- Indiana Environmental Management Bd. v Indiana - Kentucky Electric Corp., 393 N.E. 2d 213 (Inc. Ct. App. 1979).

The legislature surely did not expressly provide for monitoring requirements to be promulgated by the board according to such rigorous rulemaking procedures, while allowing IDEM to impose different monitoring requirements on an ad hoc, case by case.

If compliance can be proven with this information when the monitor is out of service then Hoosier Energy would monitor and collect this information to be compared to data taken when the monitor is in service. This requirement is not necessary if opacity is being monitored under Condition D.1.14.

Condition D.1.17 should be removed from the permit because IDEM is not authorized to impose it.

IDEM Response:

IC 13-14-1-13 (Duties of the Department: Monitoring and Reporting) states the following:

The Commissioner shall establish and administer monitoring and reporting requirements as necessary to carry out the duties and exercise the powers provided in the following:

- (a) Air pollution control laws.
- (b) Water pollution control laws.
- (c) Environmental management laws.

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

In addition, 326 IAC 2-7-5 and 326 IAC 2-7-6 provide IDEM the authority to require compliance monitoring conditions as necessary to assure continuous compliance with the emission limits.

The suggested condition established a “one size fits all “ approach to compliance monitoring. ESP T/R sets must achieve at least some level of functionality for the ESP to properly control emissions. Site specific stack test results were reviewed to determine the percent of functional T/R sets necessary to assure compliance. The ESP must operate properly in order for the boilers to achieve compliance; therefore, it is reasonable and necessary to require the source to inspect the ESP periodically. The detailed requirements for inspecting the ESPs are taken from a US EPA Publication titled “Operation and Maintenance Manual for Electrostatic Precipitators”, which is document number EPA/625/1-85/017.

There is no change in the draft permit due to this comment.

(4) Condition D.1.18 Scrubber Inspection

Hoosier Energy strongly objects to the scrubber inspection requirements set forth in Condition D.1.18 of the permit, and that condition should be removed. The required inspection periods under Conditions D.1.18(b) through (g) should be deleted because they should be addressed in the source’s PMP, which is written in their sound discretion.

IDEM Response:

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 cites are included as part of the title of the compliance monitoring section of the permit. The scrubber must operate properly in order for the boiler to achieve compliance when combusting high sulfur coal. Without periodic inspections, corrosion on the nozzles or corrosion on the enclosure could affect the pressure drop across the scrubber and lead to decreased control efficiency. Periodic inspections would help assure that these types of problems would be identified and fixed prior to the control device suffering a loss of control efficiency. Therefore, IDEM believes it is reasonable and necessary to require the source to inspect the scrubber periodically.

There is no change in the draft permit due to this comment.

(5) Conditions D.4.7, D.4.8, and D.4.9 Limestone Handling Baghouses

Hoosier Energy strongly objects to the detailed emission limitations and monitoring requirements for the small bag filters associated with the limestone handling operations, particularly those set out in Conditions D.4.7, D.4.8, and D.4.9. These requirements are excessive given the low level of emissions that derive from these emissions sources.

Conditions D.4.7, D.4.8, and D.4.9 should all be deleted because they are monitoring requirements that are excessive given the low level of emissions that are applicable to these emission sources.

IDEM Response:

The limestone storage and handling operations of the plant have a maximum capacity of 259,629 tons/year, which are significant operations. In addition, the allowable particulate emissions from the limestone processing drop points are 39.64 pounds per hour, which are also significant emissions.

The baghouses are used to comply, not only with the particulate emissions limitations, but also with the opacity standards and fugitive dust plan.

There is no change in the draft permit due to this comment.

(6) Conditions D.3.7 and D.4.6 Visible Emissions Notations

- (a) Condition D.3.7 (Visible Emissions Notations - - Coal Unloading) should be modified to only require observations on a daily basis, rather than on a once per shift basis as that would provide sufficient information to ensure compliance. In addition, the condition should only require correct responses if the observations are abnormal, not if there is any visible emissions.
- (b) Condition D.4.6 (Visible Emissions Notations - - Limestone) should be modified to only require daily observations, and to require responses only when emissions are abnormal. The corresponding record keeping requirement in Condition D.4.10 should be revised accordingly.

IDEM Response:

- (a) Pursuant to 326 IAC 2-7-5(3), a Part 70 permit must contain monitoring and related record keeping and reporting requirements, to assure continuous compliance. Visible emission observations performed in a once per day frequency are not sufficient to assure compliance on a continuous basis for such coal storage and handling systems which have a maximum throughput of 4,351,419 tons per year and limestone storage and handling operations, which have a maximum capacity of 259,629 tons/year.
- (b) The intent of the condition is that no visible dust emissions should be observed from the unloading station, the crusher station or the transfer points and limestone unloading station doorways. If visible emissions due to dust are observed, the Permittee is required to take reasonable response steps. However, 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. An abnormal visible reading can not be made as the trigger level for the Permittee because the opacity standard or the fugitive dust plan may have already been violated.

There is no change in the draft permit due to this comment.

(7) IDEM is initiating the following rule correction:

- C.14 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68.245]
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.

Testing Requirements

- (1) IDEM should modify Condition C.16 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.16 interfere with the ability to make determinations on the spot and inhibit the flexibility.

Condition C.16 should be modified by adding the following:

The Permittee is not required to follow the specific procedures set out in (a) and (b) above if it and IDEM 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.

IDEM Response:

The last sentence of Condition C.16(b) already provides the flexibility that Hoosier Energy seeks.

There is no change in the draft permit due to this comment.

- (2) IDEM re-evaluated the performance testing requirement under New Source Performance Standards (NSPS) 40 CFR 60, Subpart Y. Based on the re-evaluations, performance testing is not required for the coal processing and conveying equipment, coal storage system, or coal transfer and loading system because the NSPS only required such test for pneumatic coal cleaning system.

Condition D.3.7 is deleted and subsequent conditions in Section D.3 have been renumbered. The Table of Contents has also been changed accordingly.

- ~~D.3.7 Testing Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-6(6)] [326 IAC 2-1.1-11]~~
- ~~(a) Pursuant to 40 CFR Part 60, Subpart Y, within 180 days of the issuance of this permit, compliance with the opacity standard shall be determined by a performance stack test, using methods as approved by the commissioner.~~
- ~~(b) Testing shall be conducted in accordance with Section C – Performance Testing.~~

Reporting Requirements

- (1) Condition D.1.20(a) should be modified to remove the requirement to submit reports to EPA, since IDEM is a delegated state under NSPS, and should indicate that quarterly reports satisfy this requirement.

The NSPS delegation agreement between EPA and IDEM specifically states:

The reporting provisions in 40 CFR 60.4 [i.e., all NSPS reports) and 61.04 requiring sources to make submissions to the US EPA are met by sending such submissions to the IAPCB. The State will make available this information to the US EPA on a case-by-case basis.

In addition, this provision should state that quarterly emission reports satisfy this reporting requirement.

- (2) If the Subpart Y requirements are retained in Sections D.3 and D.4, reports should only be required to be submitted to IDEM.

IDEM Response:

IDEM agrees with the recommended changes. There are no reporting requirements under 40 CFR Part 60, Subpart Y specified in Section D.4 of the draft permit.

- D.1.20(a) The Permittee shall submit a quarterly summary of the excess emission readings of the:
- (i) SO₂ CEMS,
 - (ii) NO_x CEMS, and
 - (iii) COMS.

These reports shall be submitted no later than 30 calendar days following the end of each calendar quarter and in accordance with Section C - General Reporting Requirements of this permit.

Submissions of these reports to IDEM, OAQ satisfy the federal reporting requirements of 40 CFR Part 60, Subpart D.

- D.1.20(b) ~~Pursuant to 40 CFR 60.45(g), the excess emissions and monitoring system performance (MSP) reports shall be submitted to the:~~
~~U.S. Environmental Protection Agency~~
~~Director, Air and Radiation Division~~
~~77 West Jackson Boulevard~~
~~Chicago, IL 60604 3590~~
~~semi-annually for each six month period in the calendar year. These reports shall be postmarked by the 30th day following the end of each six-month period. Each excess emission and MSP report shall include the information required in 40 CFR Part 60.7(e).~~

Subsequent subsections of Condition D.1.20 have been renumbered due to this deletion.

- D.3.9(a) Pursuant to 40 CFR Part 60, Subpart Y, The Permittee shall submit:
- - results of the performance test, and
 - - a quarterly summary of the excess opacity readings.

These records shall be submitted to the:

Indiana Department of Environmental Management
Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
and
~~U.S. Environmental Protection Agency
Director, Air and Radiation Division
77 West Jackson Boulevard
Chicago, IL 60604-3590~~

These reports shall be submitted no later than 30 calendar days following the end of each calendar quarter.

Submissions of these reports to IDEM, OAQ satisfy the federal reporting requirements of 40 CFR Part 60, Subpart Y.

Coal Storage/Handling and Limestone Storage/Handling Operations
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- (1) Conditions D.3.1 and D.4.1 Process Weight Rule
- (a) The particulate matter rule (process weight) was never intended to apply to this type of operation (coal storage and handling system), and therefore Condition D.3.1 should be deleted.
- (b) The limestone storage and handling operation was never intended to be subject to the process weight rule, and therefore Condition D.4.1 should be deleted.

IDEM Response:

326 IAC 6-3-1(b)(1) to (15) and 326 IAC 6-3-1(c)(1) to (6) specified the processes exempted from the process weight rule. Coal storage/handling and limestone storage/handling operations are not one of them. Therefore, the rule is intended to apply to coal and limestone storage and handling systems.

In addition, pursuant to 326 IAC 6-3-1.5, manufacturing process means any single or series of actions, operations, or treatments in which a mechanical, physical, or chemical transformation of material occurs that emits, or has the potential to emit, particulate in the production of the product. The term includes transference, conveyance or repair of a product. Based on this definition, coal and limestone operations are manufacturing processes.

There is no change in the draft permit due to these comments.

- (2) Conditions D.3.2, D.3.6, D.3.7, and D.3.9 40 CFR Part 60, Subpart Y
- 40 CFR Part 60 Subpart Y was never intended to apply to this type of operation (coal storage and handling system), and therefore Conditions D.3.2, D.3.6, D.3.7 and D.3.9(a) to (c) should be deleted.

IDEM Response:

The following are the criteria used in determining the applicability of New Source Performance Standard (NSPS) 40 CFR 60 Subpart Y:

- (a) **Maximum Capacity - - 40 CFR 60.250**
The applicability provisions in 40 CFR 60.250 indicated that Subpart Y is applicable to coal preparation plants, which process more than 200 tons/day of coal.
- Hoosier Energy's coal handling system has a maximum capacity of 4,351,419 tons/year. This is equivalent to approximately 11,921 tons/day, which is greater than 200 tons/day applicability threshold of Subpart Y.
- $\text{Coal} = (4,351,419 \text{ tons/year}) * (1 \text{ year}/365 \text{ days}) = 11,921.7 \text{ tons/day}$
- (b) **Affected Facilities - - 40 CFR 60.250**
The affected facilities are: coal cleaning equipment, coal processing and conveying equipment including breakers and crushers, coal storage systems and coal transfer and loading systems.
- Hoosier Energy has coal cleaning equipment, coal conveying equipment, coal crushers, coal storage and coal transfer and loading systems.

- (c) Coal Preparation Plant - - 40 CFR 60.251(a)
40 CFR 60.251(a) defines a coal preparation plant as any facility which prepares coal by one or more of the following processes: breaking, crushing, screening, wet or dry cleaning, and thermal drying.
- - In addition to the criteria that the plant can process more than 200 tons of coal per day, Hoosier Energy prepares its coal by breaking, crushing and screening.
- (d) US EPA Memo - - May 17, 1985
EPA has also in a separate memo, dated May 17, 1985, clarified that other sources such as power plants and Kraft pulp mills are subject to Subpart Y if they process more than 200 tons of coal per day and prepare the coal using one or more of the affected facilities indicated above. A copy of the US EPA memo (identified as Document Control No. NS48) can be found in the US EPA Applicability Index database (www.epa.gov/adi)

There is no change in the draft permit due to these comment.

- (3) Conditions D.3.4 and D.4.3 Fugitive Dust Emissions
- (a) Condition D.3.4 Fugitive Dust Emissions should merely state Hoosier Energy must comply with the applicable rule and indicate that it is state enforceable only. By paraphrasing the rule, the permit fails to include various provisions, including the method of determining compliance.
- (b) Condition D.4.3 Fugitive Dust emissions is only state enforceable only, and the specific rule should be cited and not paraphrased.

IDEM Response:

Conditions D.3.4 and D.4.3 have been revised as follows to be consistent with the same condition C.4 (as shown below).

D.3.4 Fugitive Dust Emissions [326 IAC 6-4]
Pursuant to 326 IAC 6-4 (Fugitive Dust Emissions), the Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, **in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).**

326 IAC 6-4-2(4) is not federally enforceable.

D.4.3 Fugitive Dust Emissions [326 IAC 6-4]
Pursuant to 326 IAC 6-4 (Fugitive Dust Emissions), the Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, **in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).**

326 IAC 6-4-2(4) is not federally enforceable.

C.4 Fugitive Dust Emissions [326 IAC 6-4]
The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.

Credible Evidence

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; otherwise, USEPA will object to the permits.

The following language has been incorporated into the permit to address credible evidence:

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

Emission Statement and Annual Fee Payment

(1) Condition C.17 (Emission Statement) has been revised as shown below:

C.17 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

(a) The Permittee shall submit an ~~annual~~ emission statement certified pursuant to the requirements of 326 IAC 2-6, ~~that~~ **This statement** must be received ~~by July 1 of each year~~ **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 ~~annual~~ emission statement shall meet the following requirements:

- (1) Indicate estimated actual emissions of criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting);
- (2) Indicate estimated actual emissions of regulated pollutants (as defined by 326 IAC 2-7-1(32)) ("Regulated pollutant which is used only for purposes of Section 19 of this rule") from the source, for purposes of Part 70 fee assessment.

~~(b) The annual emission statement covers the twelve (12) consecutive month time period starting January 1 and ending December 31. The annual emission statement must be submitted to:~~
Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

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

~~(c)~~**(b)** The ~~annual~~ emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the

document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.

(2) Condition B.23 has been revised to reflect the correct billing contact:

B.23(c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, ~~IM & Billing Section~~ **Billing, Licensing, and Training Section**), to determine the appropriate permit fee.

NESHAP for Industrial, Commercial, and Institutional Boilers and Process Heaters [40 CFR Part 63, Subpart DDDDD]

The OAQ has added the following conditions in anticipation of the National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters [40 CFR Part 63, Subpart DDDDD] for the auxiliary boiler. The Table of Contents was revised accordingly.

D.2.13 National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters [326 IAC 20-1] [40 CFR Part 63, Subpart A] [40 CFR Part 63, Subpart DDDDD]

(a) General Provision

The provisions of 40 CFR 63 Subpart A - General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the auxiliary boilers, except when otherwise specified in 40 CFR 63 Subpart DDDDD.

(b) Effective Date

The auxiliary boilers are subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers and Process Heaters, (40 CFR 63, Subpart DDDDD), as of the effective date of 40 CFR 63, Subpart DDDDD. Pursuant to this rule, the Permittee must comply with 40 CFR 63, Subpart DDDDD on and after three (3) years after the date of publication of the final rule for 40 CFR 63, Subpart DDDDD in the Federal Register.

(c) Permit Shield

Since the applicable requirements associated with the compliance options for these auxiliary boilers are not included and specifically identified in this permit, the permit shield authorized by Section B - Permit Shield of this permit, and set out in 326 IAC 2-7-15 does not apply to paragraph (a) of this condition.

(d) Initial Notification

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

The initial notification shall be submitted to:

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

Indianapolis, Indiana 46206-6015

and

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

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

D.2.14 Requirement to Submit a Significant Permit Modification Application [326 IAC 2-7-12] [326 IAC 2-7-5]

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

- (a) The significant permit modification application shall be consistent with 326 IAC 2-7-12, including information sufficient for IDEM, OAQ to incorporate into the Part 70 permit the applicable requirements of 40 CFR 63, Subpart DDDDD, a description of the affected source and activities subject to the standard, and a description of how the Permittee will meet the applicable requirements of the standard.**
- (b) The significant permit modification application shall be submitted no later than nine (9) months prior to the compliance date as specified in 40 CFR 63.7495(b).**
- (c) The significant permit modification application shall be submitted to:**

**Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015**

ORIS Code

The ORIS Code for the plant is "6213", not "6123".

IDEM Response:

Section F of the permit has been revised to reflect the correct ORIS Code. Other parts of the permit indicated the correct code.

General Comments

On December 22, 2003, Mr. Harry Knotts of Carlisle, IN submitted the following comments:

I live in the middle of these coal power plants. I have not noticed any significant pollution from these plants. I enjoy the privilege of having electricity to use at a reasonable price. It angers me to be accused of causing lakes to be acid in Canada and the Northeast. These lakes are surrounded by trees. These lakes have always been acid. Let us continue to provide electrical energy at a reasonable price to meet the needs of the people now and in the future.

IDEM Response:

IDEM acknowledges the comments expressing support for the issuance of the permit. Federal and State air permitting programs have been established with the intent to regulate new and existing plants will emit air pollutants at a rate that protects the environment and the citizen.

There is no change in the draft permit due to this comment.