LIST OF EXHIBITS

Exhibit 1 . . Agreement with the Sierra Club

Exhibit 2 . . Final Permit

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served on:

S. David Farris, CIH, CSP
Environmental Health and Safety Manager
City of Springfield
Municipal Center Complex
800 Monroe Street
Springfield, IL 62757

Donald E. Sutton, P. E.
Manager, Permit Section
Division of Air Pollution Control, MC-11
Environmental Protection Agency
1021 North Grand Avenue, East
Springfield, IL 62702

by placing the same in an envelope clearly addressed, with postage fully prepaid, and by placing said envelope in a U.S. Mailbox on September 7, 2006.

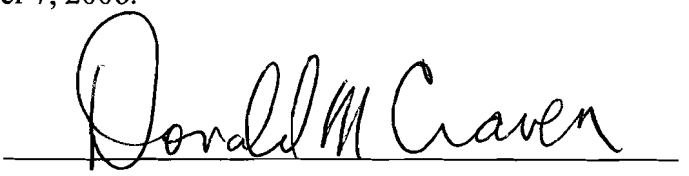

EXHIBIT 1

501 08 06

No. 3323

AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT AND ADDENDUM BETWEEN THE CITY OF SPRINGFIELD AND THE SIERRA CLUB AS IT PERTAINS TO THE CITY OF SPRINGFIELD'S FINAL PREVENTION OF SIGNIFICANT DETERIORATION AIR PERMIT FOR DALLMAN UNIT 4 FOR THE OFFICE OF PUBLIC UTILITIES

WHEREAS, on February 4, 2006, the Illinois Environmental Protection Agency (IEPA) published for public comment a draft Prevention of Significant Deterioration (PSD) air permit for the City of Springfield Office of Public Utilities' proposed Dallman Unit 4, and

WHEREAS, in response to said draft PSD air permit, on May 22, 2006, the Sierra Club submitted extensive written comments to the IEPA detailing its environmental-related concerns to include but not limited to the mitigation of the plant's additional proposed global warming pollution, and

WHEREAS, subsequent to said action, the City of Springfield began negotiations with the Sierra Club and as a result of said negotiations wishes to address the Sierra Club's concerns by entering into a Settlement Agreement with the Sierra Club to ensure that the Dallman Unit 4 project can move forward without delay, and

WHEREAS, the City of Springfield and the Sierra Club have proposed to the IEPA certain changes to be incorporated into the City of Springfield's final PSD Permit, and

WHEREAS, said changes are outlined in the Settlement Agreement with the Sierra Club, a copy of which shall be on file in the Office of the City Clerk, and

WHEREAS, the provisions of said agreement will expire on December 31, 2015, and

WHEREAS, notwithstanding the aforementioned agreement term, this Settlement Agreement may be amended or modified in writing by mutual agreement of the parties, and furthermore may be terminated at any time upon mutual written agreement of the parties.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD, ILLINOIS:

Section 1. The Council of the City of Springfield, Illinois, hereby approves and authorizes execution of a Settlement Agreement and Addendum, a copy of which shall be on file in the Office of the City Clerk, between the City of Springfield, Illinois, and the Sierra Club as it pertains to the City of Springfield's final Prevention of Significant Deterioration Air Permit for Dallman Unit 4 for the Office of Public Utilities.

Section 2. The Council of the City of Springfield, Illinois, hereby authorizes the Mayor of the City of Springfield, Illinois, or his designees, to carry out all of the provisions of this Ordinance, Settlement Agreement and Addendum with the Sierra Club.

Section 3. The Mayor and the City Clerk are hereby authorized and empowered to execute said Settlement Agreement and Addendum with the Sierra Club on behalf of the City of Springfield Office of Public Utilities.

Section 4. This Ordinance shall become effective immediately upon its passage and recording with the City of Springfield Office of the City Clerk.

PASSED: Dec. 9, 2006

RECORDED: Dec. 10, 2006

ATTEST: _____

SIGNED: Dec. 10, 2006

_____
MAYOR

Approved as to legal sufficiency:

JJ 8-1-06
Office of the Corporation Counsel/Date

Requested by the Office of Public Utilities/McNeil

501 08 06

"501 08 06

AGREEMENT

This Settlement Agreement is executed this 3rd day of July, 2006, by and between the City of Springfield, Illinois, a municipal corporation, and the Sierra Club (collectively, the "Parties"), as defined below.

WITNESSETH

WHEREAS, the City of Springfield (the "City") owns and operates an electric generating plant known as the Dallman Generating Station and located at 3100 Stevenson Drive in Springfield, Illinois;

WHEREAS, the City has proposed to construct a new 250 MW coal-fired electrical generating unit ("Dallman Unit 4" or "Project") at the Dallman Generating Station;

WHEREAS, the Illinois Environmental Protection Agency ("IEPA") has on February 4, 2006 published for public comment a draft Prevention of Significant Deterioration air permit (the "Draft Permit") for the proposed Dallman Unit 4;

WHEREAS, on May 22, 2006 the Sierra Club submitted extensive written comments in response to the Draft Permit urging, among other things, that the IEPA require more stringent pollution limits for Dallman Unit 4 and to mitigate the additional proposed global warming pollution;

WHEREAS, the City seeks to address the Sierra Club's concerns by entering into this Settlement Agreement such that the Project may move forward without delay.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained in this Agreement and intending to be legally bound, the Parties agree as follows:

AGREEMENTS

Section I. Changes To Be Incorporated Into Final PSD Permit

Sierra Club and the City have proposed to the IEPA changes to the Draft Permit. These agreed upon changes are attached to this settlement and are described as:

ATTACHMENT 5.1	ENERGY EFFICIENCY
ATTACHMENT 5.2	CWLP'S COMMITMENT TO REDUCE CO2 EMISSIONS FROM NATIVE LOAD PRODUCTION
ATTACHMENT 5.3	CWLP'S COMMITMENT TO PROMOTE RENEWABLE ENERGY
ATTACHMENT 5.4	WHOLESALE SALES: PERFORMANCE RESTRICTIONS AND ENVIRONMENTAL SET-ASIDE
ATTACHMENT 5.5	EMISSIONS LIMITATIONS FOR DALLMAN UNITS 1-4: NOx, SO2, AND MERCURY

DALLMAN UNIT 4 EMISSIONS LIMITS

Section II. Sierra Club's Covenants

a. Prevention of Significant Deterioration Permit. Provided that the City complies with all terms of this Settlement Agreement and the IEPA issues a final PSD permit containing the equivalent provisions and requirements as described in the attachments to this agreement, the Sierra Club shall not file a petition objecting to the final PSD permit for this project with the U.S. Environmental Protection Agency Environmental Appeals Board.

b. Other Challenges. Provided that the City complies with each of the requirements, including the timelines, described in the attachments hereto, Sierra Club agrees not to commence any legal action challenging any efficiency projects the City may commence pursuant to this Settlement Agreement at Dallman Units 1-3.

Section III. Miscellaneous

a. Remedies. The Parties agree that in no instance will any Party or individual be responsible or liable for monetary damages as a result of any alleged breach or breach of this Settlement Agreement. The Parties acknowledge and agree that damages are not available as a remedy in the event the obligations of this Settlement Agreement are breached. The Parties agree that damages would not be an adequate remedy for noncompliance with this Settlement Agreement, and that no adequate remedy at law exists for noncompliance with the terms of this Settlement Agreement. Accordingly, the Parties expressly agree that an award of equitable relief would be an appropriate remedy for a breach of the obligations under this Settlement Agreement, provided the reviewing court has followed standard procedures for issuing injunctive relief. The Parties also agree that should they commence any legal action to enforce this Settlement Agreement that they will not seek any remedies except specific performance.

b. Reports. CWLP will provide the Sierra Club with a written report regarding the status of CWLP's actions undertaken pursuant to this Agreement six months following the execution of this Settlement Agreement. CWLP will also provide the Sierra Club with a written report regarding the status of CWLP's actions undertaken pursuant to this Agreement twelve months following the execution of this Settlement Agreement and will provide the Sierra Club with a written report by May 1 of each year thereafter until and including May 1, 2016. The written report will describe CWLP's progress implementing this agreement and any measures CWLP has taken to overcome any problems it has encountered meeting the obligations and timetable in this agreement.

c. Relationship. This Settlement Agreement does not create any legal relationship between or among the Parties. Thus, each Party is responsible only for its own actions and this Settlement Agreement is not intended to and does not in any manner create rights, duties, liabilities or legal consequences for the Parties except as expressly provided herein. No joint venture, agency, partnership or other fiduciary relationship will be deemed to exist or arise between or among the Parties as a result of this Settlement Agreement.

d. Force Majeure. Neither Party will be deemed to have breached this Settlement Agreement or trigger a right to terminate this Settlement Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to natural disasters, wars, insurrections and/or any other cause beyond the reasonable control of the Party whose performance is affected.

e. Notice. Unless otherwise provided herein, whenever notifications, submissions, or communications are required by this Settlement Agreement, they will be made in writing and addressed as follows:

Bruce Nilles, Midwest Regional Representative
Sierra Club Midwest Clean Energy Campaign
122 W. Washington Avenue, Suite 830
Madison, WI 53703
bruce.nilles@sierraclub.org

Jack Darin, Chapter Director
Sierra Club – Illinois Chapter
70 E. Lake Street
Chicago, IL 60601
jack.darin@sierraclub.org

Regulatory Affairs Manager
City Water Light & Power
800 E. Monroe Street
Springfield, IL 60157

All notifications, communications or submissions made pursuant to this Settlement Agreement will be sent in electronic (pdf) format unless the size or other characteristics of the materials requires the submission of a hard copy. If hard copies are submitted, they will be submitted by (a) two-day overnight mail or delivery service; or (b) certified or registered mail, return receipt requested. All notifications, communications and transmissions (a) sent by overnight, certified or registered mail will be deemed submitted on the date they are postmarked, or (b) sent by overnight delivery service will be deemed submitted on the date they are delivered to the delivery service. All notifications, communications, and submissions made by electronic means will be deemed submitted on the date that the transmitting Party receives written acknowledgment of receipt of such transmission.

f. Term. The provisions of this Settlement Agreement will expire December 31, 2015. If the Sierra Club is, at that time, challenging the City's failure to comply with one or more of the terms of this agreement, those terms and any related terms shall not expire at that time.

g. Termination. This Settlement Agreement may be terminated at any time upon mutual written agreement of the Parties.

h. Modification. This Settlement Agreement may be amended or modified in writing by mutual agreement of the Parties.

i. Choice of Law. This Settlement Agreement will be construed and governed in all respects by the laws of the State of Illinois, without regard to the principles of conflicts of law. Any dispute arising over the terms and conditions contained herein will be resolved in a court of competent jurisdiction located in Sangamon County, Illinois.

j. Dispute Resolution. Prior to commencing any legal action to enforce this Settlement Agreement the Parties agree to: a) notify the allegedly offending Party in writing; and b) wait at least thirty days and during that period undertake all reasonable efforts to resolve the matter short of litigation.

k. Successors Bound. This Settlement Agreement will be binding upon the successors and assigns of the City and upon the successors and assigns of the Sierra Club.

l. Authority. Each of the signatories to this Settlement Agreement affirms that he or she is authorized to enter into the terms and conditions of this Settlement Agreement. Each party hereto may validly execute this document by facsimile signature or in counterparts, each of which will constitute an original and all of which will constitute one and the same Agreement.

501 08 06

IN WITNESS WHEREOF, this Settlement Agreement has been executed by the City of Springfield, Illinois, a municipal corporation, and the Sierra Club and is effective as of the date set forth above.

For City of Springfield, d/b/a City Water Light & Power

Name: Timothy J. Davlin
Title: Mayor, City of Springfield

For the Sierra Club

Name: Verena Owen
Title: Chair, Illinois Clean Air Campaign

For the Sierra Club

Name: Bruce Nilles
Title: Midwest Regional Representative

IN WITNESS WHEREOF, this Settlement Agreement has been executed by the City of Springfield, Illinois, a municipal corporation, and the Sierra Club and is effective as of the date set forth above.

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Name: Timothy J. Davlin
Title: Mayor, City of Springfield

For the Sierra Club

Name: Verena Owen
Title: Chair, Illinois Clean Air Campaign

For the Sierra Club

Name: Bruce Nilles
Title: Midwest Regional Representative

ATTACHMENT 5.1

ENERGY EFFICIENCY

1. Purpose.

Energy efficiency and conservation measures are alternative measures for reducing the air pollution impacts associated with meeting the City's electrical needs. Accordingly, CWLP will expand its existing energy efficiency and demand side management programs to maximize energy conservation. CWLP will identify additional cost-effective, energy efficiency measures as discussed in this attachment.

2. Definitions.

The following definitions shall apply to Attachments 5.1, 5.2, 5.3, 5.4 and 5.5:

a. "Dallman Unit 4 Online" means 180 days after required emissions testing for Dallman Unit 4 is performed and results are obtained indicating compliance with emissions limits.

b. "Environmental Initiatives Fund" means an internal CWLP account into which funds from the Wholesale Sales Environmental Set-aside will be placed to fund environmental initiatives.

c. "Native Load" means the amount of energy used to serve retail customers located in CWLP's service area.

d. "System" means, the following four coal-fired, electric utility steam generating Units:

- Dallman Generating Station in Springfield, Illinois - Unit 31 (also referred to as Dallman Unit 1);
- Dallman Generating Station in Springfield, Illinois - Unit 32 (also referred to as Dallman Unit 2);
- Dallman Generating Station in Springfield, Illinois - Unit 33 (also referred to as Dallman Unit 3);
- Dallman Generating Station in Springfield, Illinois - Unit 4.

e. "Wholesale Load" means all bulk power transfers to entities outside CWLP's service area.

3. Programs.

CWLP will take the following actions:

- o increase advertising for CWLP energy efficiency and demand management programs including, but not limited to, its free home energy inspection services, heat pump program, and subsidized blower test service;
- o hire at least one employee with experience in commercial and industrial energy management to develop and implement commercial and industrial energy efficiency and demand management programs;
- o identify new programs and expand the services offered by the CWLP Energy Services office;
- o establish an internship program that allows one or more college students per semester for the next four years to obtain training through CWLP's Green Energy Program or the Energy Services Office; and
- o implement or expand at least 3 energy efficiency programs by the end of 2007.

4. Energy Efficiency Study.

CWLP will complete an energy efficiency potential study. The purpose of the study will be to identify cost-effective energy efficiency and demand management programs in the CWLP service area. CWLP will spend up to $75,000 for the study. An RFP to conduct the study will be issued within 90 days of the issuance of an effective PSD permit for Dallman Unit 4. CWLP will select a qualified provider with the requisite experience. The study will be complete by June 30, 2007, or by such later date as agreed to by the Parties. The results of the study will be used in the development of additional energy efficiency and demand side management programs.

5. Funding.

CWLP shall fund and allocate $400,000 annually for its energy efficiency and demand side management programs, beginning in 2007 through 2015, plus an additional amount equal to at least 50% of the revenue generated by the Wholesale Sales Environmental Set-aside, not to exceed an additional $1 million annually. CWLP shall spend all of the money allocated for energy efficiency and conservation under this section within thirty-six months of the money being allocated. CWLP may allocate additional monies to fund energy efficiency and demand side management as it deems necessary.

6. Energy Conservation.

CWLP will implement energy conservation measures in Dallman Units 1-3. These projects will be initiated after the issuance of the Dallman Unit 4 construction permit. The anticipated completion date is the end of 2008.

7. Low Income Households and Senior Citizens.

At least $150,000 of the funds available for energy efficiency annually will be dedicated to programs targeted to low-income households and senior citizens. These programs will include, but not be limited to:

i. grants for HVAC efficiency measures and rebates;
ii. lighting efficiency;
iii. thermostat set back programs; and
iv. redundant refrigerator rebate and removal

8. Community Participation.

CWLP will provide for citizen input in its energy efficiency and demand side management programs, including expanding its existing website to include a section dedicated to updating residents on CWLP programs and opportunities for input. Specifically, CWLP will: 1) provide an opportunity for public review of the energy efficiency study RFP discussed above; 2) provide a 30 day public comment opportunity on the draft energy efficiency study; 3) hold bi-monthly community briefing meetings starting 60 days after the issuance of the Dallman Unit 4 construction permit and continuing for 18 months. Thereafter, meetings will be held quarterly through 2015. The meetings will provide an opportunity for CWLP to update residents on its energy efficiency programs, its status implementing its emission reduction commitments, and to receive community feedback. CWLP will consider input received from citizens during these public meetings in developing and implementing energy efficiency and conservation programs.

ATTACHMENT 5.2

CWLP'S COMMITMENT TO REDUCE CO2 EMISSIONS FROM NATIVE LOAD PRODUCTION

1. Purpose.

Measures to reduce carbon dioxide (CO2) emissions from CWLP's System will mitigate the global warming impacts associated with Dallman Unit 4 and reduce other air pollution impacts associated with meeting the City's electricity demands. Accordingly, CWLP will reduce the CO2 emission associated with its Native Load to 7% below 1990 CO2 emissions levels by December 31, 2012 and remain below this level through December 31, 2015. The 1990 base CO2 emissions level is 1,887,000 tons/year. 7% below 1,887,000 tons/year is 1,755,000 tons/year.

2. Method of Calculation.

The following steps were used to calculate CO2 emissions from the System. The same method shall be employed in the future to measure CWLP's progress in attaining its CO2 emission reductions targets.

1. CWLP averaged CEM heat input, SO2, NOx, and CO2 data for 1996-1999 for each of the three CEMs: Dallman 3, Dallman 1 and 2, and Lakeside.) (1999 was the last year before the 31/32 scrubber was installed.).

2. CWLP gathered net generation data for 1990 through 2005 from plant production reports.

3. CWLP gathered heat input data from fuel burn from the plant production reports for 1996-2005.

4. CWLP calculated net heat rates in BTU/kWH for 1996-2005 by dividing heat input by net generation. The average net heat rates in BTU/kWH calculated were 10,937 for Dallman 3, 11,873 for Dallman 1 and 2, and 13,334 for Lakeside. Thus, Dallman 3 was 7.88% more efficient than Dallman 1-2 and 17.98% more efficient than Lakeside.

5. CWLP compared heat inputs from CEM data to heat inputs from the plant production reports based on fuel burned during the 1996-2005 period.

6. Heat inputs from CEMs were, on average, 19.5% high for Dallman 3, 8.9% high for Dallman 1 and 2, but only 5.0% high for Lakeside than actual fuel burn from plant production reports during the 1996-2005 period.

7. Since Lakeside's CEM was the most accurate, the average CO2 emission rate for Lakeside of 1.44 ton/net MWH was presumed to be accurate and the Lakeside CEM CO2 emissions data was used directly and not adjusted.

8. The CO2 emissions for Dallman 1-2 and Dallman 3, however, were not used because of the high "CEM bias" stated in Item 6.

9. Instead, to account for actual efficiencies of the units calculated in Item 4, CO2 rates were calculated for Dallman 1-2 and Dallman 3 by multiplying the units' heat rate ratio with Lakeside by the Lakeside CEM CO2 rate of 1.44 ton/MWH. The CO2 emission rates calculated in this manner were 1.28 ton/MWH for Dallman 1-2 and 1.18 ton/MWH for Dallman 3. Thus, the CO2 rates compared well with the actual and relative efficiencies of the units.

10. The 1990 CO2 emissions were then calculated by multiplying the actual net generation from each unit by the corresponding CO2 emission rates for each unit from Item 9.

11. The amount of generation for native energy for each unit was determined by taking the ratio of native energy to total generation. The amount of generation for wholesale sales was determined by taking the ratio of wholesale sales to total generation.

12. In this way, 1990 CO2 emissions were calculated to be 1,887 thousand tons for native energy and 166 thousand tons for wholesale sales. Total 1990 CO2 emissions were thus 2,053 thousand tons.

Determination of Native Energy

CWLP's native energy use is determined by the following formula:

Native Energy = Net Generation + Purchases – Wholesale Sales

CWLP has revenue quality rotating kilowatthour meters on each of its generators and on its five tie lines. This makes for a very accurate determination of native energy. Native energy differs from actual retail sales since losses are included. CWLP's total losses are on the order of 5.3 percent.

3. Government Regulation.

If, before December 31, 2015, the federal government and/or the State of Illinois promulgates a CO2 reduction program that is equivalent to or more stringent than the native emissions target set forth in this attachment, CWLP's CO2 reduction obligations under this attachment would cease, and CWLP would be obligated to adhere to the applicable regulatory requirements. Absent a federal or state requirement to reduce CO2 emissions, CWLP's obligation to reduce CO2 emissions shall end on December 31, 2015.

4. Remedies.

In the event CWLP is unable to meet an interim CO2 native emissions target of 1,950,000 tons by June 30, 2011, based on the prior twelve months' emissions, the sole remedy shall be for CWLP to pay into the Environmental Initiatives Fund $3 per ton of CO2 by which CWLP exceeds 1,950,000 tons. If, by December 31, 2012, CWLP has not met its CO2 native emissions target of 1,755,000 for calendar year 2012, the sole remedy shall be for CWLP to pay into the Environmental Initiatives Fund $3 per ton of CO2 by which CWLP exceeds 1,755,000 tons. In the event that CWLP has still not met its annual CO2 native emissions target of 1,755,000 tons by December 31, 2013, CWLP shall pay into the Fund $4 per ton by which CWLP exceeds 1,755,000 tons of CO2. In the event that CWLP has still not met its annual CO2 native emissions target of 1,755,000 tons by December 31, 2014, CWLP shall pay into the Fund $4 per ton by which CWLP exceeds 1,755,000 tons of CO2. In the event that CWLP has

still not met its annual CO2 native emissions target of 1,755,000 tons by December 31, 2015, CWLP shall pay into the Fund $4 per ton by which CWLP exceeds 1,755,000 tons of CO2. Any monies remaining in the Fund as of December 31, 2015 shall be utilized by CWLP to further reduce CO2 emissions and shall be spent by December 31, 2016. Any monies CWLP pays into the Fund pursuant to this paragraph will be used to achieve CO2 reductions, and may include purchasing additional wind energy and funding additional energy efficiency measures.

5. Independent Consultation.

If CWLP has failed to reduce CO2 emissions limits to 1,755,000 tons by December 31, 2013, within 60 days of January 1, 2014, CWLP shall retain an independent expert, who, no later than June 1, 2014, shall assist CWLP, in consultation with the public, in determining the most effective way to use the monies paid into the Environmental Initiatives Fund to attain the CO2 native emissions target of 1,755,000 tons as expeditiously as possible.

ATTACHMENT 5.3

CWLP'S COMMITMENT TO PROMOTE RENEWABLE ENERGY

1. Purpose.

Purchasing wind power is a cost-effective measure to mitigate the global warming and other air pollution impacts associated with the construction of Dallman 4 and the production of electricity for the City's customers. Accordingly, CWLP will purchase at least 120 MW of wind capacity at a reasonable price under a Power Purchase Agreement and CWLP will provide, at a minimum, fifty percent of the State of Illinois' electrical needs with wind power for all of its accounts in the CWLP service area, including the State Capitol. CWLP will work with the State to increase the amount of wind-generated electricity provided for the State's Springfield accounts up to 100 percent as soon as practicable. A reasonable price is a price within 15% of the generally accepted market price for wind energy.

2. Request for Proposal.

CWLP will issue an RFP for the acquisition of a minimum of 120MW of wind capacity within 15 days of the issuance of this permit. The Power Purchase Agreement ("PPA") shall be for a term of not less than ten years. If a proposal for the procurement of at least 120 MW of wind capacity is rejected, CWLP will issue another RFP within 60 days of rejecting the original proposal(s). If an executed contract between CWLP and a wind generator cannot be performed shortly thereafter, CWLP will issue a new RFP within 60 days of the notice of breach or non-performance.

3. Alternative Procurement.

After CWLP has issued two RFPs unsuccessfully, CWLP shall enter into a contract to build a minimum of 120MW of wind capacity or have purchased 120MW of wind turbines no later than December 1, 2008 and shall be receiving wind power from at least 120MW of installed wind capacity no later than June 1, 2010. If CWLP is able to obtain wind capacity through a power purchase agreement before December 1, 2008 (for at least ten years), CWLP has no obligation to build or purchase turbines to provide its own wind capacity.

4. Additional Increments.

CWLP will establish a green-pricing program that offers its retail customers the opportunity to buy incremental amounts of wind energy to meet their electrical needs. If CWLP sells 40 MW of wind energy to its retail customers through a green-pricing program, CWLP will purchase an additional increment of 20 MW wind capacity. Thereafter, for each additional 20 MW of wind energy CWLP sells to its retail customers through a green-pricing program CWLP will purchase an additional increment of 20 MW wind capacity.

5. Resale.

CWLP may offer for resale wind capacity to other wholesale entities. At all times CWLP will maintain at least 100MW of wind capacity for its retail customers.

6. Green Energy Program.

CWLP will commence a Green Energy Program within 6 months after receipt of a final and effective PSD permit from Illinois EPA for Dallman Unit 4. CWLP will retain one or two full-time employees for this program. This program may include the following items:

i. Marketing to government institutions to use renewable energy.
ii. Marketing renewable energy to CWLP's residential customers, including providing the opportunity for customers to purchase either a portion or all of their generation needs with renewable energy at cost.
iii. Marketing renewable energy to CWLP's commercial electric customers, including a marketing feature they can display and utilize in their public relations and advertising efforts.
iv. Expanding educational opportunities through the green power office and offering green energy credit certificates for sale to customers.

ATTACHMENT 5.4

WHOLESALE SALES: PERFORMANCE RESTRICTIONS AND ENVIRONMENTAL SET-ASIDE

1. Purpose.

CWLP supplies energy both to its own local customers and to purchasers of energy outside of CWLP's service area. The energy used to provide electricity to the customers in CWLP's service area is referred to as Native Load. Energy sold as bulk power transfers outside of CWLP's service area is referred to as Wholesale Load. CWLP recognizes the need to mitigate the carbon dioxide and other criteria pollutant emissions created as a result of the generation of Wholesale Load. To this end, CWLP agrees to curtail its production of Wholesale Load. In addition, CWLP will mitigate the carbon dioxide and criteria pollutant emissions from its Wholesale Load production by dedicating funds to demand-side energy efficiency and conservation efforts directed at customers in its service area based on the amount of carbon dioxide generated by producing Wholesale Load.

2. Production Limitations.

CWLP will limit the use of Dallman Units 1-3 such that the units will not operate at their maximum capability (also referred to as emergency load levels) 99% of the time, restricting the use of the units to the following levels:

i. Dallman 3 – 170 MW net (4.12% reduction from full/emergency load levels)
ii. Dallman 2 – 70 MW net (11.43% reduction from full/emergency load levels)
iii. Dallman 1 – 70 MW net (11.43% reduction from full/emergency load levels)

3. Reservation of Right.

CWLP may operate Dallman Units 1-3 at a higher capacity for performance and testing related to regulatory compliance as required and in emergency situations where it is called upon to generate additional power by MISO or other authority charged with responsibility for the security of the bulk power system to meet regulatory requirements or to fulfill obligations related to power system reliability.

4. Environmental Initiatives Fund.

CWLP will create and maintain a segregated account, referred to as the Environmental Initiatives Fund, into which CWLP will deposit monies dedicated to energy efficiency, conservation, purchase of renewable energy, and other expenses associated with reducing or mitigating the environmental impacts associated with the production of energy from coal.

5. Wholesale Sales Environmental Set-aside.

Beginning after Dallman Unit 4 Online, CWLP will dedicate funds at a rate of $4.80 per ton of CO2 emitted due to the production of energy for sale as wholesale energy and deposit such funds on an ongoing basis into the Environmental Initiatives Fund. CWLP will use at least 50% of the revenue generated by the Wholesale Sales Environmental Set-aside, not to exceed an additional $1 million annually, to fund demand-side energy efficiency and conservation efforts directed at CWLP's customers within its service area. The remaining revenue generated from the Wholesale Sales Environmental Set-aside may be used for the same purposes or for the purchase of wind and other renewable energy sources (including solar), equipment modification, and other expenses associated with increasing the efficiency or otherwise reducing emissions associated with the production of energy from Dallman Units 1-4.

ATTACHMENT 5.5

EMISSIONS LIMITATIONS FOR DALLMAN UNITS 1-4: NOx, SO2, AND MERCURY

1. Purpose.

On a System basis, CWLP will adhere to emissions limits for NOx, SO2, and Mercury as specified in this Attachment. The NOx, SO2, and mercury emissions limits applicable to the System are based on a rolling twelve-month average.

2. NOx.

The System emissions limit for NOx will be 0.12 lb/MMBtu between Dallman Unit 4 Online and December 31, 2012, and 0.07 lb/MMBtu beginning January 1, 2013.

3. SO2.

The System emissions limit for SO2 will be 0.24 lb/MMBtu between Dallman Unit 4 Online and December 31, 2012, 0.1 lb/MMBtu beginning January 1, 2013.

4. Independent Evaluation.

The System limits for SO2 apply at all times, unless during the period between Dallman Unit 4 Online and December 31, 2010, CWLP finds that meeting the above SO2 System emission limits requires measures on the Dallman Unit 3 scrubber beyond those recommended by the manufacturer and according to standard industry practice. If CWLP makes such a determination, CWLP and the Sierra Club will select an independent expert to evaluate all the units. The expert's evaluation will be for the purpose of determining the lowest SO2 emission level that is practical and feasible for the Dallman 1-4 scrubbers. The independent expert will be agreed upon by both parties. CWLP will submit the names and qualifications of three candidates, and the parties will confer and choose the expert. If the independent expert determines that Dallman Units 1-4 cannot operate at a level that allows the System to meet the above SO2 System emissions limits because of the performance of Dallman Unit 3, the expert will then determine the maximum achievable reduction level at which it is feasible for Dallman Unit 3 to operate year-round and CWLP will operate that scrubber at that level. If the independent expert determines that the Dallman Unit 3 is interfering with the System meeting the above-referenced System emissions limits, CWLP agrees to purchase and/or retire SO2 credits equal to the difference between the System limits and the Dallman Unit 3 performance. If the independent expert agrees that the SO2 performance for Dallman Unit 3 does not allow the System to meet the above-referenced emissions limits, the emissions from Dallman Units 1, 2, and 4 will be averaged, and will, as a System, perform at the above System levels for SO2.

5. Mercury.

In addition to other requirements regulating mercury emissions in the permit, on a 12-month rolling average basis beginning with Dallman Unit 4 Online, the emissions limit for mercury averaged across Dallman Units 1-4 shall be 0.008 lbs/GWh or 90% reduction of the mercury in the coal. If a trading program for mercury is established, CWLP agrees not to sell any mercury credits generated by its mercury reduction.

DALLMAN UNIT 4 EMISSIONS LIMITS

1. Voluntary Emissions Limits.

CWLP agrees to the following emission limits for Dallman Unit 4 and will not oppose IEPA placing these limits in the final PSD permit.

2. Mercury.

On a 12-month rolling average basis, 0.008 lbs/GWh or 90% reduction from input mercury. If a trading program for mercury is established, CWLP agrees not to sell any mercury credits generated by its mercury reduction.

3. Total PM.

0.020 lb/MMBtu on a three-hour block average. The limit for total PM may be lowered (no lower than 0.018 lb/MMBtu) if the IEPA, after considering the results of any evaluation performed by CWLP, finds that Dallman 4 can and should be able to consistently comply with such limits without unreasonable consequences.

4. PM Filterable.

0.010 lb/MMBtu on a three-hour block average. If CWLP fails to comply with this emissions limit despite using all reasonable efforts during the first twenty-four months of operation post Dallman Unit 4 Online, CWLP shall petition IEPA for a higher limit, but no higher than 0.012 lb/MMBtu on a three-hour block average.

5. Sulfuric Acid Mist.

0.004 lb/MMBtu on a three-hour block average.

6. Opacity.

10%.

7. NOx.

0.05 lb/MMBtu, on a 30-day rolling average, exclusive of start-up, shut-down, and malfunction; 0.06 lb/MMBtu on a 30-day rolling average, inclusive of start-up, shut-down, and malfunction.*

8. SO2.

99% removal on a 30-day rolling average, exclusive of start-up, shut-down, and malfunction; 98% removal on a 30-day rolling average, inclusive of start-up, shut-down, and malfunction. Removal efficiency shall be measured across the scrubber.*

9. Lakeside Station Shut-Down.

CWLP's Lakeside Generating Station will be shut-down upon receipt of results indicating Dallman Unit 4 complies with the permitted emissions limits.

*The terms start-up, shut-down, and malfunction shall have the same meaning as those terms are used elsewhere in the permit.

ADDENDUM

Attachment 5.3 of this Settlement Agreement is modified as follows:

1. Purpose.

Purchasing wind power is a cost-effective measure to mitigate the global warming and other air pollution impacts associated with the construction of Dallman 4 and the production of electricity for the City's customers. Accordingly, CWLP will purchase at least 120 MW of wind capacity at a reasonable price under a Power Purchase Agreement. A reasonable price is equal to the accepted market price for wind capacity.

3. Alternative Procurement.

After CWLP has issued two RFPs unsuccessfully, CWLP shall enter into a contract to build a minimum of 120 MW of wind capacity or have purchased 120 MW of wind turbines no later than June 1, 2010 and shall be receiving wind power from at least 120 MW of installed wind capacity no later than December 1, 2011. If CWLP is able to obtain wind capacity through a power purchase agreement before June 1, 2010 (for at least ten years), CWLP has no obligation to build or purchase turbines to provide its own wind capacity.

IN WITNESS WHEREOF, this Addendum has been executed by the City of Springfield, Illinois, a municipal corporation, and the Sierra Club.

Timothy J. Davlin — 8-10-06

For City of Springfield d/b/a City Water Light & Power — Date
Name: Timothy J. Davlin
Title: Mayor, City of Springfield

[signature] — 8-7-06

For the Sierra Club — Date
Name: Verena Owen
Title: Illinois Clean Air Campaign Chair

'501 08 06

ADDENDUM

Section III(g) of this Settlement Agreement is modified as follows:

g. Termination.

(i) This Settlement Agreement may be terminated at any time upon mutual written agreement of the Parties.

(ii) This Settlement Agreement shall terminate, and its provisions be rendered null and void, if any person appeals Illinois EPA's issuance of the PSD permit for Dallman Unit 4, pursuant to federal law, under 40 CFR Part 124 or other federal regulations or provisions under the Clean Air Act, pursuant to state law, under the Environmental Protection Act or other state law or regulations thereunder, or under common law, in any administrative or judicial venue.

IN WITNESS WHEREOF, this Addendum has been executed by the City of Springfield, Illinois, a municipal corporation, and the Sierra Club.

Timothy J. Davlin 8/10/06

For City of Springfield, d/b/a City Water Light & Power
Name: Timothy J. Davlin
Title: Mayor, City of Springfield

Date

Verena Owen 7-14-06

For the Sierra Club
Name: Verena Owen
Title: Chair, Illinois Clean Air Campaign

Date

501 08 06

	08/10/2006	**City Water Light And Power/City Of Springfield**	PSD (New)	04110050	167120AAO	3100 Stevenson Drive		Springfield 4911

Final Permit Date	Facility Name	Permit Type	Permit Number	Facility ID	Facility Address	Facility City	SIC Code

EXHIBIT 2

217/782-2113

CONSTRUCTION PERMIT - PSD APPROVAL
NSPS EMISSION UNITS

PERMITTEE

City of Springfield
Attn: S. David Farris, CIH, CSP
Environmental Health and Safety Manager
Municipal Center Complex
800 Monroe Street
Springfield, Illinois 62757

Application No.: 04110050 I.D. No.: 167120AAO
Applicant's Designation: BLR4 Date Received: November 18, 2004
Subject: Dallman Unit 4
Date Issued: August 10, 2006
Location: City Water Light & Power (CWLP), 3100 Stevenson Drive, Springfield

Permit is hereby granted to the above-designated Permittee to CONSTRUCT emission sources and air pollution control equipment consisting of the Dallman Unit 4 project, including a pulverized coal fired boiler with low NO_x combustion technology, selective catalytic reduction system, scrubber, fabric filter and wet electrostatic precipitator, associated material handling equipment, cooling tower and ancillary equipment, as described in the above referenced application. This Permit is granted based upon and subject to the findings and conditions that follow.

In conjunction with this permit, approval is given with respect to the federal regulations for Prevention of Significant Deterioration of Air Quality (PSD) for this project, as described in the application, in that the Illinois Environmental Protection Agency (Illinois EPA) finds that the application fulfills all applicable requirements of 40 CFR 52.21. This approval is issued pursuant to the Clean Air Act, as amended, 42 U.S.C. 7401 et seq., the federal regulations promulgated thereunder at 40 CFR 52.21 for Prevention of Significant Deterioration of Air Quality (PSD), and a Delegation of Authority agreement between the United States Environmental Protection Agency (USEPA) and the Illinois EPA for the administration of the PSD Program. This approval becomes effective in accordance with the provisions of 40 CFR 124.15 and may be appealed in accordance with provisions of 40 CFR 124.19. This approval is based upon the findings that follow. This approval is subject to the following conditions. This approval is also subject to the general requirement that the project be developed and operated consistent with the specifications and data included in the application and any significant departure from the terms expressed in the application, if not otherwise authorized by this permit, must receive prior written authorization from the Illinois EPA.

If you have any questions on this permit, please call Shashi Shah at 217/782-2113 (TDD 217/782-9143).

Donald E. Sutton, P.E.
Manager, Permit Section
Division of Air Pollution Control

DES:SRS:psj

cc: Region 2
USEPA Region V

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INTRODUCTION: FINDINGS

1a. City Water, Light and Power (CWLP) has requested a permit to construct a new solid fuel fired generating unit, Dallman Unit 4, which would replace two existing coal-fired units, Lakeside Units 7 and 8, at its existing power plant in Springfield. The new boiler would be equipped with low-NO_x combustion technology and selective catalytic reduction (SCR), a fabric filter or "baghouse", wet flue gas desulfurization (WFGD) or "scrubber", and a wet electrostatic precipitator (WESP). Other new emission units associated with the new boiler would include: equipment for handling coal, limestone, ash and gypsum associated with the new boiler; a cooling tower; and other ancillary equipment and operations.

b. The new boiler would have a maximum rated capacity of about 2,440 million Btu/hour and would serve a new steam turbine-generator with a maximum nominal capacity of 250 MW, gross output. The boiler would be fired on coal as its primary fuel, with natural gas used as the startup fuel. The design coal supply for the boiler has 3.55 percent sulfur by weight and 10,200 Btu per pound as received at the plant, for an equivalent nominal sulfur dioxide emission rate of 7.0 lb/million Btu.

2. The CWLP power plant is located in Sangamon County, an area that is currently designated attainment for all criteria pollutants.

3a. This project is subject to PSD for emissions of particulate matter (PM), carbon monoxide (CO), and sulfuric acid mist because the project's potential emissions of these pollutants are greater than the applicable significant emission rates set by the PSD rules. In particular, the project is being permitted for annual emissions of 401 tons, 1,281 tons and 53 tons for PM, CO and sulfuric acid mist, respectively. (See also Attachment 1 and 2.)

b. The project is not subject to PSD for emissions of sulfur dioxide (SO_2) and nitrogen oxides (NO_x) because the net increases in emissions of these pollutants are below the applicable significant emission rates set by the PSD rules. For these pollutants, CWLP has submitted a netting demonstration that addresses the decreases in emissions from the shutdown of the existing Lakeside Units that would occur with this project, as summarized in Attachment 2, Table 2-B. This demonstration shows that while the potential annual emissions of SO_2 from the new boiler would be 2,135 tons, the project would be accompanied by a contemporaneous emissions decrease of 7,741 tons, so that this project would result in a net decrease in annual emissions of at least 5,605 tons. Similarly for NO_x, while the potential annual emissions of the new boiler are 1,070 tons, there will be an accompanying decrease in emissions of 1,262 tons, for a net decrease in annual emissions of at least 152 tons.

c. The proposed project is not subject to PSD for other PSD pollutants that have not been addressed above (VOC, lead, and fluorides) because the potential emissions of other PSD pollutants are below the applicable significant emission rates set by the PSD rules.

4a. After reviewing the materials submitted by CWLP, the Illinois EPA has determined that the project will: (i) comply with applicable Pollution Control Board (Board) emission standards, (ii) comply with applicable federal emission standards, (iii) utilize Best Available Control Technology (BACT) on emissions as required by PSD.

b. The BACT determinations made by the Illinois EPA for the PM, CO and sulfuric acid mist emissions from the project are the control technology determinations for these pollutants contained in the permit conditions for specific emission units. These BACT determinations reflect the Illinois EPA's judgment on the appropriate control technique(s) for each pollutant and the emission rates that should be considered achievable for such techniques, consistent with USEPA guidance and precedent on the establishment of BACT limits. These BACT determinations can only be revised by action under the PSD rules, not simply by future action in Clean Air Act Permit Program (CAAPP) Permits for the source.

5a. The air quality analysis submitted by CWLP and reviewed by the Illinois EPA shows that the proposed project will not cause a violation of the ambient air quality standards for CO and PM_{10}. The air quality analysis also demonstrated compliance with the applicable increments for PM_{10} established under the PSD rules.

b. CWLP has also submitted the additional impact analyses required under the PSD rules, including an analysis of growth that will occur due to the project, an analysis of soil and vegetation air pollution impacts from the project, and visibility impairment analysis. These analyses adequately address the potential for any adverse impacts from the project.

6a. The new boiler is a major project for emissions of hazardous air pollutants (HAPs) because its potential annual emissions of hydrogen chloride are 76.5 tons. However, USEPA has determined that it is neither appropriate nor necessary to regulate utility steam generating units under Section 112 of the Clean Air Act, Air Quality and Emissions Standards for Hazardous Air Pollutants. In case this determination, which has been appealed by the State of Illinois and others, is overturned, this permit contains a case-by-case determination of MACT for the boiler, as would be required under Section 112(g) of the Clean Air Act.

b. New process and production units other than the new boiler that are part of this project are not subject to a case-by-cased determination of MACT under Section 112(g) of the Clean Air Act, because this project is a modification to an existing source for purposes of 40 CFR 63, Subpart B and the other new process and production units do not constitute major sources of HAPs when considered by themselves.

7. The Illinois EPA has determined that the proposed project complies with all applicable Board Air Pollution Control Regulations; the federal rules for PSD, 40 CFR 52.21; and applicable federal New Source Performance Standards (NSPS), 40 CFR 60. The boiler would also comply

with MACT under Section 112 of the Clean Air Act and applicable federal regulations thereunder, National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 CFR 63, Subpart B.

8. A copy of the application, the project summary prepared by the Illinois EPA, and a draft of this permit were placed in a nearby public repository, and the public was given notice and an opportunity to examine this material and to participate in a public hearing and to submit comments on these matters.

9. This permit also includes requirements for proposed Dallman Unit 4, the existing generating units operated by the Permittee at its Springfield power plant, and the Permittee that have their origin in an agreement between the Permittee and the Sierra Club. (See Condition 1.6.) The Permittee initiated discussions with the Sierra Club and voluntarily entered into this agreement with the objective of avoiding an appeal of this permit, which would act to delay the effectiveness of the permit. These additional requirements would only take effect if this objective is achieved, i.e., the issuance of the permit is not appealed. These requirements go beyond applicable regulatory requirements and address matters that the Illinois EPA would not normally be able to address during permitting. However, these additional requirements are reasonably related to the emissions and the air quality and environmental impacts of the proposed project and the Permittee's activities and may be appropriately included in this permit. In this regard, these requirements are similar to the ambitious commitments and stringent restrictions at times voluntary accepted by sources for certain proposed projects to keep the projects from being major, with the objective of avoiding the substantive and procedural requirements for permitting of a major project.

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→ No, they go far beyond that

No basis for this — standard

✓ acknowledge appeal would only, at best delay not prevent

✓ no longer an approval agency (3rd Party) but are giving validity sanctioning the deal between the 2 —

beyond the scope of the permitting function

acknowledge intersecting themselves in the private negotiations of the parties

INTRODUCTION: IDENTIFICATION OF SIGNIFICANT EMISSIONS UNITS

Unit Number	Description	Emission Control Measures
1	Dallman Unit 4 - Pulverized Coal Boiler	Good Combustion Practices, Low NO_x Burners, Selective Catalytic Reduction, Fabric Filter (Baghouse), Wet Flue Gas Desulfurization (Scrubber), and Wet Electrostatic Precipitator
2	Bulk Material Handling Operations	Various Control Measures (application of water or dust suppressant, enclosures, compaction, and add-on control equipment)
3	Cooling Tower	High-Efficiency Drift Eliminators
4	Roadways and Other Sources of Fugitive Dust	Paving and Dust Control Measures (application of water or other dust suppressants and sweeping or vacuuming to collect dust)

SECTION 1: SOURCE-WIDE PERMIT CONDITIONS

CONDITION 1.1: EFFECT OF PERMIT

a. This permit does not relieve the Permittee of the responsibility to comply with all local, state and federal regulations that are part of the applicable Illinois' State Implementation Plan, as well as all other applicable federal, state and local requirements.

b. In particular, this permit does not relieve the Permittee from the responsibility to carry out practices during the construction and operation of the project, such as application of water or dust suppressant sprays to unpaved traffic areas, as necessary to minimize fugitive dust and prevent an air pollution nuisance from fugitive dust, as prohibited by 35 IAC 201.141.

CONDITION 1.2: VALIDITY OF PERMIT AND COMMENCEMENT OF CONSTRUCTION

a. As provided by 40 CFR 52.21(r)(2), this permit shall become invalid if construction is not commenced within 18 months of the PSD approval becoming effective, if construction is discontinued for a period of 18 months or more, or if construction is not completed within a reasonable period of time. The Illinois EPA may extend the 18-month period upon a satisfactory showing that an extension is justified. This condition supersedes Standard Condition 1 of the permit. (See Attachment 3)

b. For purposes of the above provisions, the definitions of "construction" and "commence" at 40 CFR 52.21(b) (8) and (9) shall apply, which requires that a source must enter into a binding agreement for on-site construction or begin actual on-site construction. (See also the definition of "begin actual construction," 40 CFR 52.21(b) (11)).

CONDITION 1.3: ANCILLARY EQUIPMENT, INCLUDING THE TWO DIESEL ENGINES

a. Ancillary equipment, including the two diesel engines, shall be operated in accordance with good air pollution control practices to minimize emissions.

b. i. The diesel engines shall be used as emergency engines, as defined at 35 IAC 211.1920.

ii. The power output of each diesel engine shall be no more than 1,500 horsepower, as necessary to qualify as an emergency or standby unit as defined by 35 IAC 211.1920.

iii. Operation of each diesel engine shall not exceed 200 hours per year.

iv. The fuel fired in the diesel engines shall be ultra-low sulfur (ULS) diesel fuel or other alternative ultra-low sulfur fuel oil containing no more than 15 ppm sulfur (e.g., bio-diesel).

Note: These requirements for the fuel fired in the engines constitute the determination of Best Available Control Technology (BACT) for the engines, as required under the PSD rules.

CONDITION 1.4: AUTHORIZATION TO OPERATE EMISSION UNITS

a. i. Under this permit, the affected boiler (Dallman 4 boiler) may be operated for a period that ends 180 days after the boiler first sends electricity to the grid to allow for equipment shakedown and required emissions testing. This period may be extended by Illinois EPA upon request of the Permittee if additional time is needed to complete shakedown or perform emission testing. This condition supersedes Standard Condition 6. (See Attachment 3)

ii. Upon successful completion of emission testing of the affected boiler demonstrating compliance with applicable limitations, the Permittee may continue to operate the boiler as allowed by Section 39.5(5) of the Environmental Protection Act.

b. i. The remainder of the project equipment, excluding the affected boiler, may be operated under this construction permit for a period of 365 days after initial startup of the affected boiler. This period of time may be extended by the Illinois EPA for up to an additional 365 days upon written request by the Permittee as needed to reasonably accommodate unforeseen difficulties experienced during shakedown of the plant. This condition supersedes Standard Condition 6. (See Attachment 2)

ii. Upon successful completion of emission testing of the affected boiler demonstrating compliance with applicable limitations, the Permittee may continue to operate the remainder of the plant as allowed by Section 39.5(5) of the Environmental Protection Act.

c. For the affected boiler and other new emission units that are part of this project that are subject to federal New Source Performance Standards (NSPS), the Permittee shall fulfill applicable notification requirements of the NSPS, 40 CFR 60.7(a), including:

i. Written notification of commencement of construction no later than 30 days after such date (40 CFR 60.7(a)(1)); and

ii. Written notification of the actual date of initial startup within 15 days after such date (40 CFR 60.7(a)(3)).

CONDITION 1.5: REQUIREMENTS FOR EXISTING UNITS

a. This permit is issued based on the reduced operation and eventual shutdown of the existing Lakeside Units at the plant (Lakeside Units 7 and 8) in conjunction with the operation of the affected boiler, as follows:

i. Extended Shakedown Period

If the Illinois EPA extends the shakedown period for the affected boiler as provided by Condition 1.4(a) beginning at the start of any such extended shakedown period, and continuing until the permanent shutdown of the Lakeside Units, the quarterly emissions from the affected boiler and the Lakeside Units shall not exceed 300 and 1,900 tons of NO_x and SO_2, respectively.

ii. Transition Period

Following the end of the shakedown period, the Lakeside Units shall only operate on a limited basis during a 12-month transition period for the affected boiler. For this purpose, the Lakeside Units shall only be operated when the affected boiler is out of service for an extended outage, i.e., an outage of greater duration that those typically associated with the normal maintenance of a coal-fired boiler at a power plant and the extended outage is required to make repairs or enhancement to the boiler to facilitate compliance or fulfillment of operational requisites. In addition, the Permittee shall notify the Illinois EPA prior to operating the Lakeside Units during the transition, explaining the reason that such operation will be needed and expected duration.

Note: This permit does not relax any requirements for existing Lakeside Units during the shakedown or transition periods for the affected boiler.

iii. Permanent Shutdown

By the end of the transition period, the Permittee shall permanently shutdown the Lakeside Units.

Note: These requirements are imposed on the existing Lakeside Units because the Permittee has relied upon a contemporaneous decrease in emissions, from the shutdown of the Lakeside Units, to demonstrate that this project is not a major modification for emissions of SO_2 or NO_x under the federal PSD rules, 40 CFR 52.21. As a practical matter, it is expected by both the Illinois EPA and the Permittee that the Lakeside Units will no longer be operated when the affected boiler initially starts operation or shortly thereafter. Nevertheless, the permit contains provisions for an extended shakedown and transition period for the affected boiler as a contingency measure, to accommodate possible circumstances that would act to delay the orderly shakedown of the affected boiler, such as the need for major rework to the reboiler or repairs to the steam turbine generator.

b. Lakeside Units 7 and 8 are authorized by this permit to comply with requirements for NO_x emissions in 35 IAC Part 217, Subpart V, by means of participation in averaging plans that also includes other existing electrical generating unit(s) operated by the Permittee. This

authorization is subject to the conditions for the Permittee's existing generating units in the CAAPP Permit issued to the source (CAAPP Permit 95090091, issued September 29, 2005) that relate to 35 IAC Part 217, Subpart V, i.e., Conditions 7.1.4(f), 7.1.8(c), 7.1.9(e), and 7.1.10-2(e) and (f) of CAAPP Permit 95090091, which are incorporated into this permit by reference. This authorization shall terminate on December 31st of the calendar year in which the Lakeside units are permanently shut down or on the date that the conditions in CAAPP Permit 95090091 that authorize participation in an averaging plans become effective, whichever occurs first.

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c. During each ozone control period, beginning in the control period in which the Permittee initially starts up the affected boiler, the emissions of NO_x from existing Dallman Units 1, 2 and 3, as a group, shall not exceed 0.175 lb/million Btu, average for the control period. Compliance with this limit shall be determined and demonstrated using the applicable procedures specified in 35 IAC Part 217, Subpart V.

CONDITION ~~1.~~6: ADDITIONAL REQUIREMENTS

a. The Permittee shall comply with the applicable requirements and emission limits in Attachment 1, Table 1-C and in Attachment 5 (including Attachments 5.1 through 5.6), subject to the accompanying terms therein, except as provided by Condition 1.6(c) below.

b. The affected boiler is subject to and shall comply with the applicable emission limitations in Table 1-C, subject to the accompanying terms ~~therein, except~~ as provided by Condition 1.6(c) below.

c. If the issuance of this permit is appealed pursuant to federal law, under 40 CFR Part 124 or other federal regulations or provisions under the Clean Air Act, or is appealed pursuant to state law, under the Environmental Protection Act or other state law or regulations thereunder, or under common law, the above requirements, which were voluntarily accepted by the Permittee pursuant to an agreement with the Sierra Club with the objective of avoiding such an appeal, shall not be effective. In the event of such an appeal, these requirements would only become effective if and to the extent that the acceptance of the agreement is reaffirmed by the Permittee and the Sierra Club.

SECTION 2: UNIT-SPECIFIC CONDITIONS FOR PARTICULAR EMISSION UNIT

CONDITION 2.1: UNIT-SPECIFIC CONDITIONS FOR THE BOILER

2.1.1 Emission Unit Description

The affected unit for the purpose of these specific permit conditions is the new pulverized coal boiler (Dallman Unit 4) with associated pollution control train. The boiler would also have the capability to burn natural gas, which would be used for startup of the boiler.

2.1.2 Control Technology Determination

a. The affected boiler shall be operated and maintained with the following features to control emissions:

i. Good combustion practices.

ii. Low-NO_x burners.

iii. Selective catalytic reduction (SCR).

iv. Fabric Filter or "baghouse".

v. Wet flue gas desulfurization or "scrubber".

vi. Wet electrostatic precipitator (WESP).

b. The emissions from the affected boiler shall not exceed the following limits:

i. A. PM - 0.012 lb/million Btu.

This limit shall apply as a 3-hour block average, with compliance determined by emission testing for PM (filterable) in accordance with Condition 2.1.8 and from equipment operation. This limit shall not apply during startup, shutdown and malfunction as addressed by Condition 2.1.2(d).

B. PM Total - 0.035 lb/million Btu.

This limit shall apply as a 3-hour block average, with compliance determined by emission testing for PM (filterable and condensable) in accordance with Condition 2.1.8 and from equipment operation. This limit shall not apply during startup, shutdown and malfunction as addressed by Condition 2.1.2(d). A lower limit (as low as 0.018 lb/million Btu) may be set pursuant to Condition 2.1.15, which requires reevaluation of the above limit based upon actual PM_{10} emissions of the affected boiler.

ii. CO - 0.120 lb/million Btu.

This limit shall apply as a 3-hour block average, with compliance determined by emission testing in accordance with Condition 2.1.8 and from equipment operation. This limit shall not apply during startup, shutdown and malfunction as addressed by Condition 2.1.2(d).

iii. Sulfuric Acid Mist - 0.0050 lb/million Btu.

This limit shall apply as a 3-hour block average, with compliance determined by emission testing in accordance with Condition 2.1.8 and from equipment operation. This limit shall not apply during startup, shutdown and malfunction as addressed by Condition 2.1.2(d).

c. If emission standards for control of mercury and other hazardous air pollutants emitted from coal-fired utility boilers have not yet been adopted by USEPA pursuant to Section 112 of the Clean Air Act and the affected boiler must be subject to a case-by-case determination of MACT pursuant to Section 112(g) of the Clean Air Act (as would occur if USEPA's March 2005 determination for utility steam generating units pursuant to Section 112(n)(1) of the Clean Air Act is reversed or overturned), the affected boiler shall comply with the following standards for emissions of hazardous air pollutants pursuant to Section 112(g) of the Clean Air Act until such time as the boiler must comply with more stringent standards adopted by USEPA pursuant to Section 112(c) of the Clean Air Act:

i. A. The affected boiler shall comply with one of the following Compliance Alternatives for emissions of mercury:

I. An overall removal efficiency of 95 percent achieved without injection of activated carbon or other similar material specifically used to control emissions of mercury, comparing the emissions and the mercury contained in the coal supply (Alternative 1); or

II. Control by injection of powdered activated carbon or other material or a combination of materials specifically for control of mercury emissions to achieve the maximum practicable degree of mercury removal, as established in accordance with Attachment 4 (Alternative 2).

B. Compliance with these Alternatives shall be demonstrated as follows:

I. For Alternative 1, unless provisions are established in the source's CAAPP Permit for compliance to be demonstrated by use of

continuous emission monitoring, compliance shall be demonstrated by periodic testing and proper operation of the affected boiler consistent with other applicable requirements that relate to control of mercury (e.g., requirements applicable to PM and SO_2 emissions) as may be further developed, or revised in provisions for the boiler in the CAAPP Permit. For the purpose of determining the overall control efficiency for mercury, if the coal supply to the boiler is washed, the effect of coal washing shall be included, based upon a nominal value for the efficiency of coal washing for removal of mercury. For conventional coal cleaning, this value shall be 25 percent. For coal cleaning using advanced techniques, a higher value may be set by the Illinois EPA in a CAAPP permit, based upon a demonstration from the Permittee for the typical range of effectiveness of the cleaning process in removing mercury from the raw coal supply.

II. For Alternative 2, compliance shall be demonstrated by proper operation of the affected boiler and such other practices developed pursuant to Attachment 4 and the applicable State construction permit for the mercury control system.

C. These Alternatives shall take effect 9 months after initial startup of the affected boiler, provided however, the Permittee may, upon written notice to the Illinois EPA, extend this period for up to an additional 9 months if needed for detailed evaluation of mercury emissions from the affected boiler or physical changes to the boiler related to control of mercury emissions. As part of this notice, the Permittee shall explain why the necessary evaluation of emissions or physical changes to the affected boiler could not reasonably be completed earlier, identify the activities that it intends to perform to evaluate emissions or further enhance control for emissions, and specify the particular practices it will use during this period as good air pollution control practices to minimize emissions of mercury. Prior to these Alternatives taking effect, the Permittee shall use good air pollution control practices to minimize emissions of mercury.

Note: In conjunction with either Alternative, the Permittee must also conduct continuous emissions monitoring on a continuous or semi-continuous basis for the emissions

of mercury from the affected boiler. (Refer to Condition 2.1.9-2.)

ii. A. The affected boiler shall comply with one of the following Compliance Alternatives for emissions of hydrogen chloride:

I. An emission rate of 0.020 lb/million Btu, 3-hour average (Alternative 1); or

II. A removal efficiency of 97.5 percent, comparing the emissions and the chlorine content of the fuel supply, expressed as equivalent hydrogen chloride (Alternative 2).

B. Compliance with these Alternatives shall be demonstrated by periodic testing and proper operation of the boiler consistent with other applicable requirements that relate to control of SO_2 emissions, as may be further developed or revised in provisions for the boiler in the source's CAAPP Permit.

C. These Compliance Alternatives shall take effect 9 months after initial startup of the boiler. Prior to such date, the Permittee shall use good air pollution control practices to minimize emissions of hydrogen chloride.

iii. The affected boiler shall comply with an emission rate of 0.0036 lb/million Btu for emissions of VOM. This limit shall apply as a 3-hour block average, with compliance determined by emission testing in accordance with Condition 2.1.8 and from equipment operation.

iv. Notwithstanding the above, during periods of startup, shutdown and malfunction, as addressed by Condition 2.1.2(d), the above emission standards for mercury*, hydrogen chloride and VOM shall not apply. Emissions during such periods shall be addressed by the Startup, Shutdown and Malfunction Plan as provided by 40 CFR Part 63, Subpart A. (See also Condition 2.1.6(a)(ii).)

* If provisions are established in a CAAPP permit that allow compliance with the mercury standard to be determined with continuous emission monitoring with a compliance period longer than one month, mercury emissions during periods of startup, shutdown and malfunction shall be included in the determination of compliance.

d. The Permittee shall use good air pollution control practices to minimize emissions during startup, shutdown and malfunction of the affected boiler as further addressed in Condition 2.1.6, including the following:

i. Use of natural gas during startup to heat the affected boiler prior to initiating firing of coal;

ii. Operation of the affected boiler and associated air pollution control equipment in accordance with written operating procedures that include Startup, Shutdown and Malfunction Plan(s) (See also Condition 2.1.6(a).); and

iii. Inspection, maintenance and repair of the affected boiler and associated air pollution control equipment in accordance with written maintenance procedures.

Note: For CO, PM and sulfuric acid mist, for which the limits in Condition 2.1.2(b) do not apply during startup, shutdown and malfunction, the applicable numerical limits set by Condition 2.1.7(b) (Attachment A: Table I), which address emissions in lb/hour and which apply at all times, also serve as "secondary" numerical limits for purposes of BACT to address periods of startup, shutdown and malfunction, with compliance determined based on engineering analysis and calculations.

2.1.3 Applicable Federal Emission Standards

a. The affected boiler is subject to a New Source Performance Standard (NSPS) for Electric Utility Steam Generating Units, 40 CFR 60, Subpart Da and related requirements in 40 CFR 60, Subpart A, General Provisions.

i. The emissions and opacity from the affected boiler shall not exceed the applicable limits pursuant to the NSPS. In particular, the emissions from the boiler shall not exceed the following limits applicable to firing of solid fuel:

A. PM (as measured by USEPA Method 5) - 0.03 lb/million Btu heat input and 1 percent of potential combustion concentration when combusting solid fuel, pursuant to 40 CFR 60.42a(a). (Compliance with the PM emission limitation constitutes compliance with the percent reduction requirements, pursuant to 40 CFR 60.42a(1).)

B. Opacity - 20 percent opacity (6-minute average), except for one 6-minute period per hour of not more than 27 percent opacity, pursuant to 40 CFR 60.42a(b).

C. SO_2 - 1.20 lb/million Btu heat input and 10 percent of the potential combustion concentration (90 percent reduction) 30-day rolling average basis, pursuant to 40 CFR 60.43a(a)(1).

D. NO_x - 1.6 lb/MW-hr gross energy output, 30-day rolling average basis, pursuant to 40 CFR 60.44a(d).

E. Mercury - 0.000021 lb/gross MW-hr, 12-month rolling average basis, pursuant to 40 CFR 60.45a(1).

ii. A. Pursuant to 40 CFR 60.48a(a), (c) and (g), the above emission limits for opacity, PM, NO_x and mercury apply at all times, except during periods of startup, shutdown or malfunction as defined by 40 CFR 60.2.

B. Pursuant to 40 CFR 60.48a(g), the above emission limits for SO_2 apply at all times, except during periods of startup or shutdown, as defined by 40 CFR 60.2.

iii. At all times, the Permittee shall maintain and operate the affected boiler, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions, pursuant to 40 CFR 60.11(d).

2.1.4 Applicable State Emission Standards

The affected boiler is subject to the following state emission standards.

a. Opacity - 35 IAC 212.122 (20 percent opacity)

b. PM - 35 IAC 212.204 (0.1 lb/million Btu)*

c. SO_2 - 35 IAC 214.121 (1.2 lb/million Btu)*

d. CO - 35 IAC 216.121 (200 ppm, @ 50 % excess air)*

e. NO_x - (1) 35 IAC 217.121 (0.7 lb/million Btu), and (2) 35 IAC Part 217, Subpart V (0.25 lb/million Btu, as a seasonal average during each ozone control period, i.e., May through September)*

* This standard is not as stringent as the requirement in Condition 2.1.2 or 2.1.7.

Note: The Illinois Pollution Control Board is currently conducting a rulemaking proceeding on proposed state emission standards for mercury emissions from coal-fired generating units (In the matter of: Proposed New 35 Ill. Adm. Code 225, Control of Emissions from Large Combustion Sources (Mercury), R6-025).

2.1.5. Applicability of Other Regulatory Programs

a. The affected boiler is an affected unit under the Acid Rain Deposition Control Program pursuant to Title IV of the Clean Air Act. As an affected unit, the boiler is subject to an emission standard for NO_x and the Permittee must conduct emission monitoring for SO_2 and NO_x emissions and hold SO_2 allowances for the SO_2 emissions of the boiler during each year, as set forth in applicable regulations at 40 CFR Parts 72, 73 and 75.

b. i. The affected boiler qualifies as an Electrical Generating Unit (EGU) for purposes of 35 IAC Part 217, Subpart W, the NO_x Trading Program for Electrical Generating Units. As an EGU, the Permittee will have to hold NO_x allowances for the NO_x emissions of the boiler during each seasonal control period.

ii. The affected boiler also qualifies as an Electrical Generating Unit for purposes of the USEPA's Clean Air Interstate Rule (CAIR). When this program takes effect for Illinois, the Permittee will be subject to the requirements of this program, which include the obligation to hold both SO_2 and NO_x allowances for the requirements of this program that are applicable in Illinois.

c. The affected boiler shall comply with applicable requirements for control of mercury emissions from coal-fired utility boilers in Illinois if such requirements are imposed by USEPA on utility boilers in Illinois pursuant to the "Clean Air Mercury Rule," 40 CFR 60 Subpart HHHH.

2.1.6 Operating Requirements

a. The Permittee shall operate the affected boiler and associated air pollution control equipment in accordance with good air pollution control practices to minimize emissions, by operating in accordance with detailed written operating procedures as it is safe to do so. These procedures at a minimum shall:

i. Address startup, normal operation, shutdown and malfunction events.

ii. With respect to startup, shutdown and malfunction, the plan shall fulfill substantive requirements of 40 CFR 63.6(e) for a Startup, Shutdown and Malfunction Plan and be subject to procedural requirements for such plans as if the affected boiler was subject to 40 CFR Part 63, except that the Illinois EPA shall substitute for USEPA for purposes of administration. This plan shall include detailed provisions for review of relevant operating parameters of the affected boiler systems during startup, shutdown and malfunction as necessary to make adjustments and corrections to reduce or eliminate any excess emissions.

Note: If the affected boiler were to become subject to requirements of Section 112 of the Clean Air Act, such a plan would be applicable as a matter of rule and would be administered by both the USEPA and the Illinois EPA.

iii. Specifically with respect to startup, address readily foreseeable startup scenarios, including so called "hot startups" when the operation of the boiler is only temporarily interrupted, and provide for appropriate review

of the operational condition of the boiler prior to initiating startup of the boiler.

iv. A. With respect to malfunction, identify and address likely malfunction events with specific programs of corrective actions, and provide that upon occurrence of a malfunction that will result in emissions in excess of the applicable limits in Condition 2.1.2(b), 2.1.3 and 2.1.4, the Permittee shall, as soon as practicable, repair the affected equipment, reduce the operating rate of the boiler, remove the boiler from service or take other action so that excess emissions cease.

B. Consistent with the above, if the Permittee has maintained and operated the affected boiler and associated air pollution control equipment so that malfunctions are infrequent, sudden, not caused by poor maintenance or careless operation, and in general are not reasonably preventable, the Permittee shall begin shutdown of the boiler within 90 minutes, unless the malfunction is expected to be repaired within 120 minutes or such shutdown could threaten the stability of the regional electrical power supply. In such case, shutdown of the system shall be undertaken when it is apparent that repair will not be accomplished within 120 minutes or shutdown will not endanger the regional power system. In no case shall shutdown of the boiler be delayed solely for the economic benefit of the Permittee.

Note: If the Permittee determines that the continuous emission monitoring system (CEMS) is inaccurately reporting excess emissions, the boiler may continue to operate provided the Permittee records the information it is relying upon to conclude that the boiler and associated emission control systems are functioning properly and the CEMS is reporting inaccurate data and the Permittee takes prompt action to resolve the accuracy of the CEMS.

v. With respect to normal operation of the boiler, provide for formal comprehensive "tuning" of the boiler by qualified personnel for good combustion as part of initial startup and periodically thereafter, with subsequent operation and maintenance of the boiler directed at keeping the boiler in a tuned condition.

b. The Permittee shall maintain the affected boiler and associated air pollution control equipment in accordance with good air pollution control practices to assure proper functioning of equipment and minimize malfunctions, including maintaining the boiler in accordance with written procedures developed for this purpose.

c. The Permittee shall handle the fuel for the affected boiler in accordance with a written Fuel Management Plan that shall be designed to provide the boiler with a consistent fuel supply that meets relevant criteria needed for proper operation of the boiler and its control systems.

d. The Permittee shall review its operating and maintenance procedures and its Fuel Management Plan for the boiler as required above on a regular basis and revise them, if needed, consistent with good air pollution control practices based on actual operating experience and equipment performance. This review shall occur at least annually if not otherwise initiated by occurrence of a startup, shakedown, or malfunction event that is not adequately addressed by the existing plans or a specific request by the Illinois EPA for such review.

2.1.7 Emission Limitations

a. Emissions of SO_2 and NO_x from the affected boiler shall not exceed 0.20 and 0.10 lb/million Btu, respectively, on a rolling average of 30 boiler operating days. For this purpose, emissions shall be determined as the ratio of the mass of emissions and the heat input to the boiler during each period of 30 boiler operating days, with the mass of emissions determined from continuous emission monitoring, as required by Condition 2.1.9. These limitations shall take affect at the same time that the SO_2 and NO_x standards of the NSPS, 40 CFR 60 Da (Condition 2.1.3), which also apply on a 30-day rolling average, become effective.

b. Emissions from the affected boiler shall not exceed the limitations expressed in lb/hour in Attachment 1, Table 1-A. Compliance with these limitations shall be determined with testing or monitoring as required by Conditions 2.1.8 or 2.1.9, as follows, and proper equipment operation in accordance with Condition 2.1.6.

   i. For emissions of SO_2 and NO_x, compliance is to be determined on a rolling average of 30 boiler operating days with continuous emission monitoring (see Condition 2.1.9).

   ii. For other pollutants, compliance is to be determined on a 3-hour average basis, consistent with the duration of emission testing as addressed by Condition 2.1.8.

c. Annual emissions from the affected boiler shall not exceed the limitations in Attachment 1, Table 1-A. Compliance with these annual limitations shall be determined from a rolling total of monthly emission data, i.e., from the sum of emission data for a particular month and the preceding 11 months, for a total of 12 months of data.

Note: Condition 1.6 establishes limits for emissions of certain pollutants from the affected boiler that will be more stringent than the above limitations if and when such alternative limits take effect.

2.1.8 Emission Testing

a. i. A. Within 60 days after achieving the maximum production rate at which the affected boiler will be operated but not later than 180 days after initial startup of the affected boiler, the Permittee shall have tests conducted for opacity and emissions of NO_x, CO, PM (filterable and condensable), VOM, SO_2, hydrogen chloride, fluorides, sulfuric acid mist, and mercury and other metals, as follows, at its expense by an approved testing service while the boiler is operating at maximum operating load and other representative operating conditions. (In addition, the Permittee may also perform measurements to evaluate emissions at other load and operating conditions.)

B. This period of time may be extended by the Illinois EPA for up to an additional 365 days upon written request by the Permittee as needed to reasonably accommodate unforeseen difficulties in the startup and testing of the boiler, provided that initial performance testing required by the NSPS, 40 CFR Part 60, Subpart Da, has been completed for the boiler and the test report has been submitted to the Illinois EPA.

ii. Between 9 and 15 months after performance of the initial testing that demonstrates compliance with applicable requirements, the Permittee shall have the emissions of PM (filterable and condensable), VOM, hydrogen chloride, hydrogen fluoride, sulfuric acid mist, and mercury and other metals from the affected boiler retested in accordance with this condition.

iii. The Permittee shall conduct additional tests for PM emissions (filterable and condensable) and sulfuric acid mist emissions as needed for purposes of the evaluation of total PM emissions required by Condition 2.1.15.

iv. A. Thereafter, the Permittee shall also test PM emissions (filterable and condensable) from the affected boiler, as provided below, at a regular interval that is no greater than 30 months, except as follows. If the results of two of these PM tests for the boiler in series demonstrate filterable PM emissions that are 0.009 lb/million Btu or less, the maximum interval for PM testing of such boiler will be at least once every 48 months. However, if a PM test for such affected boiler then shows PM emissions

that are more than two thirds of an applicable limit, the maximum interval between testing shall revert to 30 months until two consecutive tests again show PM emissions that are two thirds or less than the applicable limits. For the purpose of these provisions, the two consecutive tests must be at least 24 months apart.

Note: The CAAPP Permit may establish requirements for more frequent emission testing.

B. Whenever PM testing for the boiler is performed as required above, testing for emissions of carbon monoxide (unless monitoring is conducted pursuant to Condition 2.1.9-3) hydrogen chloride and sulfuric acid mist shall also be performed, as provided below.

v. In addition to the emission testing required above, the Permittee shall perform emission tests as provided below as requested by the Illinois EPA for the boiler within 45 days of a written request by the Illinois EPA or such later date agreed to by the Illinois EPA. Among other reasons, such testing may be required if there is a significant increase in the mercury or chlorine content of the fuel supply to the boiler.

Note: Specific requirements for periodic emission testing may be established in provisions for the affected boiler in the CAAPP Permit for the source.

vi. Within two years of the initial startup of the affected boiler, the Permittee shall have emission testing conducted for dioxin/furan emissions as provided below.

b. The following methods and procedures shall be used for testing:

i. The following test methods shall be used unless use of other methods adopted by or being developed by USEPA is approved by the Illinois EPA.

Sampling Points	Method 1
Gas Flow/Velocity	Method 2
Flue Gas Weight	Method 3 or 3A
Moisture	Method 4
PM - Filterable[1]	Method 5, or Methods 5 and Method 201 or 201A (40 CFR 51, Appendix M), with Method 19 as specified in 40 CFR 60.48a(b)
PM - Condensable	Method 202[2]
NO_x[3]	Method 19, as specified in 40 CFR 60.48a(d)
SO_2[3]	Method 19, as specified in 40 CFR 60.48a(c)
CO	Method 10

VOM[4]	Methods 18 and 25A
Hydrogen Chloride	Method 26
Fluorides (HF)	Method 26
Sulfuric Acid Mist	Method 8[2]
Metals[5, 6]	Method 29
Dioxin/Furan	Method 23
Opacity	Method 9

Notes:

1. The Permittee may report all PM emissions measured by USEPA Method 5 as filterable PM, in which case separate testing using USEPA Method 201 or 201A need not be performed to measure filterable PM_{10}.

2. Notwithstanding the general requirement to use USEPA test methods, appropriate refinements or adaptations may be made to the USEPA test methods or other established test methods may be used for testing for sulfuric acid mist, subject to review and approval by the Illinois EPA to facilitate accurate and reliable measurements given the composition of the exhaust. In particular, adaptations shall be made to USEPA Method 202, to prevent positive bias from conversion of sulfur dioxide to sulfuric acid in the impingers, e.g., by additional purges or separate, simultaneous measurements of the sulfuric acid emissions.

3. Emission testing shall be conducted for purposes of certification of the continuous emissions monitoring systems (CEMS) required by Condition 2.1.9. Thereafter, the SO_2, NO_x and mercury emission data from certified CEMS may be provided in lieu of conducting emissions tests.

4. The Permittee may exclude methane, ethane and other exempt compounds from the results of any VOM test provided that the test protocol to quantify and correct for the presence of any such compounds in the exhaust of the boiler is included in the test plan approved by the Illinois EPA.

5. Testing for metals shall address emissions of mercury, arsenic, beryllium, cadmium, chromium, lead, manganese, and nickel.

6. During the initial emissions testing for metals, the Permittee shall also conduct measurements using established test methods for the principle forms of mercury present in the exhaust, i.e., particle bound mercury, oxidized mercury and elemental mercury.

ii. The results of emission testing may be presented as the average of individual test runs to determine compliance, as provided by 40 CFR 60.8(f) and 35 IAC Part 283.

c. i. Test plans, test notifications, and test reports shall be submitted to the Illinois EPA in accordance with the Condition 3.2.

ii. In addition to other information required in a test report, test reports shall include detailed information on the operating conditions of the boiler during testing, including:

A. Fuel consumption (in tons);

B. Composition of fuel (Refer to Condition 2.1.10(b)), including the metals, chlorine and fluorine content, expressed in pound per million Btu;

C. Firing rate (million Btu/hr) and other significant operating parameters of the boiler, including temperature of the flue gas entering the SCR;

D. Control device operating rates or parameter, e.g., SCR reagent injection rate, baghouse pressure drop, scrubber pressure drop and reagent addition rate, and WESP voltages current flows and water flow rate;

E. Opacity of the exhaust from the boiler, 6-minute averages and 1-hour averages;

F. Turbine/Generator output rate (MW gross).

2.1.9-1 Emissions Monitoring - SO_2, NO_x and Opacity

a. i. The Permittee shall install, certify, operate, calibrate, and maintain continuous monitoring systems on the affected boiler for opacity, emissions of SO_2 and NO_x, and either oxygen or carbon dioxide in the exhaust. The opacity monitor shall be located before the wet control equipment if needed to prevent interference from moisture in the ductwork.

ii. The Permittee shall also operate and maintain these monitoring systems according to site-specific monitoring plan(s), which shall be submitted at least 60 days before the initial startup of the boiler to the Illinois EPA for review and comment. With this submission, the Permittee shall submit the proposed type of monitoring equipment and proposed sampling location(s), which shall be approved by the Illinois EPA prior to installation of equipment.

iii. The Permittee shall fulfill the applicable requirements for monitoring in: the NSPS, 40 CFR 60.13, 60.47a, and 40 CFR

60 Appendix B; the federal Acid Rain Program, 40 CFR Part 75; 35 IAC Part 217, Subpart W, and the NO_x Trading Program for Electrical Generating Units. These rules require that the Permittee maintain detailed records for both the measurements made by these systems and the maintenance, calibration and operational activity associated with the monitoring systems.

iv. The data management system(s) associated with the continuous monitoring systems shall have the ability to appropriately handle collected monitoring data, as well as relevant operational data, to determine emissions in the various terms that are needed to verify compliance with applicable emission standards and limits.

b. In addition, when NO_x or SO_2 emission data are not obtained from a continuous monitoring system because of system breakdowns, repairs, calibration checks and zero span adjustments, emission data shall be obtained by using standby monitoring systems, emission testing using appropriate USEPA Reference Methods, or other approved methods as necessary to provide emission data for a minimum of 75 percent of the operating hours in the boiler operating day, in at least 22 out of 30 successive boiler operating days, pursuant to 40 CFR 60.47a(f) and (h).

Note: Fulfillment of the above criteria for availability of emission data from a monitoring system does not shield the Permittee from potential enforcement for failure to properly maintain and operate the system.

c. Compliance with the most stringent emission monitoring requirements for a pollutant is sufficient to demonstrate compliance with all emission monitoring requirements for that pollutant.

2.1.9-2 Emissions Monitoring - Mercury

a. The Permittee shall install, operate and maintain a continuous or semi-continuous emissions monitoring system to measure the mercury emissions of the affected boiler in accordance with 40 CFR Part 75, Subpart I.

b. The Permittee shall keep logs for the operation, calibration and maintenance of this monitoring system.

2.1.9-3 Emissions Monitoring - CO

a. If the emissions of CO for the affected boiler measured by testing in accordance with Condition 2.1.8(a)(i) or (ii) are greater than 0.09 lb/million Btu, the Permittee shall install, operate and maintain a continuous monitoring system to measure the CO emissions of the boiler. This system shall continue to be operated until such time as the Illinois EPA approves the removal of the system, following emission testing and submittal of an

emission test report by the Permittee that shows that the CO emissions of the affected boiler are no more than 0.09 lb/million Btu.

b. The Permittee shall keep logs for the operation, calibration and maintenance of this monitoring system.

2.1.10 Operational Monitoring and Measurements

a. The Permittee shall install, evaluate, operate, and maintain meters to measure and record consumption of natural gas by the affected boiler.

b. i. The Permittee shall sample and analyze the sulfur and heat content of the coal supplied to the boiler in accordance with USEPA Reference Method 19 (40 CFR 60, Appendix A, Method 19).

ii. The Permittee shall analyze samples of all coal supplies that are components of the coal supply to the boiler and the coal supply, itself, for mercury and other metals and chlorine content, as follows:

A. Analysis shall be conducted in accordance with USEPA Reference Methods or other method approved by USEPA.

B. Analysis of the fuel supply to the boiler, itself, shall be conducted in conjunction with performance testing of the boiler.

C. Analysis of representative samples of coal shall be conducted in conjunction with acceptance of coal from off-site.

D. Analysis of representative samples of coal shall be conducted at least every two years, if a more frequent analysis is not needed pursuant to the above requirements.

c. i. The Permittee shall install, operate and maintain continuous parametric monitoring systems (CPMS) to measure key operating parameters of the control system for the boiler, including:

A. Reagent injection rate for the SCR system;

B. Pressure drop across the baghouse;

C. Reagent addition rate for the scrubber; and

D. Voltages, currents, sparking rates and water flow for the WESP.

ii. The Permittee shall maintain the records of the measurements made by these systems and records of maintenance and operational activity associated with these systems.

d. i. Within 12 months of the end of the shakedown period for the boiler, the Permittee shall install and operate a continuous emissions monitoring system (CEMS) for PM on the affected boiler for the purpose of compliance assurance monitoring. However, the Permittee may, upon written notice to the Illinois EPA, extend this period for up to an additional 12 months if needed to reasonably complete the installation of the PM CEMS. As part of this notice, the Permittee shall explain why implementation of continuous monitoring cannot reasonably be completed earlier, identify the activities that need to be completed prior to beginning implementation of monitoring, and explain why such activities could not be completed earlier.

ii. This CEMS shall monitor PM concentration downstream of the WESP, provided, however, with approval of the Illinois EPA the sampling point for this CEMS may be shifted to a point upstream of the scrubber if it is demonstrated within 18 months of initial operation of the CEMS that it cannot be reliably operated following the WESP. As part of its approval of relocation of the CEMS, the Illinois EPA may approve operation of the affected boiler without the CEMS for up to 10 days, as such an outage cannot be reasonably avoided while the CEMS is being relocated.

iii. The Permittee shall operate, calibrate and maintain this system in accordance with the applicable USEPA performance specification and other applicable requirements of the NSPS for monitoring systems and in a manner that is generally consistent with published USEPA guidance for use of such systems for compliance assurance monitoring.

iv. The Permittee shall also operate and maintain this system according to a site-specific monitoring plan, which shall be submitted to the Illinois EPA for its review and comment at least 90 days before the initial startup of the monitoring system. With this submission, the Permittee shall submit the proposed type of monitoring equipment and proposed sampling location, which shall be approved by the Illinois EPA prior to installation of equipment.

2.1.11 Recordkeeping

a. The Permittee shall maintain the following records with respect to operation and maintenance of the affected boiler and associated control equipment:

i. An operating log for the boiler that, at a minimum, shall address:

A. Each startup of the boiler, including the nature of the startup, sequence and timing of major steps in the startup, any unusual occurrences during the startup, and any deviations from the established startup procedures, with explanation;

B. Each shutdown of the boiler, including the nature and reason for the shutdown, sequence and timing of major steps in the shutdown, any unusual occurrences during the shutdown, and any deviations from the established shutdown procedures, with explanation; and

C. Each malfunction of the boiler system that significantly impairs emission performance, including the nature and duration of the event, sequence and timing of major steps in the malfunction, corrective actions taken, any deviations from the established procedures for such a malfunction, and preventative actions taken to address similar events.

ii. Inspection, maintenance and repair log(s) for the boiler system that, at a minimum, shall identify such activities that are performed related to components that may effect emissions; the reason for such activities, i.e., whether planned or initiated due to a specific event or condition; and any failure to carry out the established maintenance procedures, with explanation.

iii. Records for the tuning of the boiler required by Condition 2.1.6(a)(v), including identification of the event, condition of the boiler prior to tuning, the condition of the boiler after tuning, and the parameters set as proper tuning of the boiler.

iv. Daily records of steam and electricity generation.

b. The Permittee shall maintain the following records related to the fuel used in the boiler:

i. Records of the sampling and analysis of the fuel supply to the boiler conducted in accordance with Condition 2.1.10(b).

ii. A. Records of the sulfur content of fuel, lb sulfur/million Btu, supplied to the boiler, as determined pursuant to Condition 2.1.10(b)(i); and

B. Records of the sulfur content of fuel supplied to the boiler on a 30-day rolling average, determined from the above data.

iii. Records of the amount of fuel fired in the boiler by type of fuel as specified in 40 CFR Part 60, Appendix A, Method 19.

c. The Permittee shall maintain the following records related to emissions of the boiler:

i. Records of SO_2 and NO_x emissions and operation for each boiler-operating day, as specified by 40 CFR 60.49a.

ii. With respect to the SO_2 reduction-based standard in 40 CFR 60.43a(a)(1), for each 30 day averaging period, records of the SO_2 emissions in lb/million Btu and the required SO_2 emission rate as determined by applying the permissible emission fraction to the potential SO_2 emission rate of the coal supply.

iii. With respect to the limitations in Condition 2.1.7(a), records of the SO_2 and NO_x emission rate in lb/million Btu, for each 30-day averaging period.

iv. For pollutants for which continuous emissions monitoring is not performed to determine compliance, i.e., PM, sulfuric acid mist, VOM, lead, fluorides, hydrogen chloride and CO, if applicable, the following records:

A. Records of the standard emission factors used by the Permittee to determine emissions, with supporting documentation.

B. Records of emissions based on fuel usage, operating data for the boiler and associated control equipment, and the appropriate emission factors, as addressed above, with supporting calculations.

d. The Permittee shall record the following information for any period during which the boiler deviated from an applicable requirement:

i. Each period during which an affected unit exceeded the requirements of this permit, including applicable emission limits, which records shall include at least the information specified by Condition 3.3.

ii. Each period during which opacity of the boiler exceeded the level of opacity at which emission testing has demonstrated that the boiler would comply with PM emission limits.

2.1.12 Notifications

a. The Permittee shall notify the Illinois EPA within 30 days of deviations from applicable requirements that are not addressed by the regular reporting required pursuant to Condition 2.1.13.

These notifications shall include the information specified by Condition 3.5.

2.1.13 Reporting

a. i. The Permittee shall fulfill applicable reporting requirements in the NSPS, 40 CFR 60.7(c) and 60.49a, for the boiler. For this purpose, quarterly reports shall be submitted to the Illinois EPA no later than 30 days after the end of each calendar quarter. (40 CFR 60.49a (i))

ii. In lieu of submittal of paper reports, the Permittee may submit electronic quarterly reports for SO_2 and/or NO_x and/or opacity. The electronic reports shall be submitted no later than 30 days after the end of the calendar quarter and shall be accompanied by a certification statement indicating whether compliance with applicable emission standards and minimum data requirements of 40 CFR 60.49a were achieved during the reporting period. (40 CFR 60.49a(j))

b. i. Either as part of the periodic NSPS report or accompanying such report, the Permittee shall report to the Illinois EPA any and all opacity and emission measurements for the boiler that are in excess of the respective requirements set by this permit. These reports shall provide for each such incident: the pollutant emission rate; the date and duration of the incident; and whether it occurred during startup, malfunction, breakdown, or shutdown. If an incident occurred during malfunction or breakdown, the corrective actions and actions taken to prevent or minimize future reoccurrences shall also be reported. (40 CFR 60.7(c))

ii. These reports shall also address any deviations from applicable compliance procedures for the boiler established by this permit, including specifying periods during which the continuous monitoring systems were not in operation.

c. The Permittee shall comply with applicable reporting requirements under the Acid Rain Program, with a single copy of such report sent to Illinois EPA, Division of Air Pollution Control Compliance Section.

2.1.14 Construction of Additional Control Measures

a. The Permittee is generally authorized under this permit to construct and operate additional devices and features to control emissions from the boiler, which are not described in the application for this permit, as follows. This condition does not affect the Permittee's obligation to comply with the applicable requirements for the affected boiler.

b. This authorization only extends to devices or features such as sorbent injection systems that are designed to reduce emissions that are identified during the detailed design of the boiler and any refinements to that design that occur during construction and the initial operation of the boiler. These measures may also serve to improve boiler operation as they reduce consumption of materials, but do not include measures that would increase the boiler's rated heat input capacity.

c. Prior to beginning actual construction of any such device or feature, the Permittee shall apply for and obtain a separate State construction permit for it from the Illinois EPA pursuant to 35 IAC Part 201, Subpart D.

2.1.15 Revision of Emission Limit for Total PM Based on Results of Emission Testing

a. i. The emission limit for Total PM in Condition 2.1.2(b)(i)(B) shall be lowered based on the results of emissions testing unless the Permittee demonstrates and the Illinois EPA concurs, based on an evaluation as set forth below, that a lower limit cannot be reliably met without unacceptable consequences, i.e., inability to comply with other emission limits or requirements or significant risk to equipment or personnel, and without unreasonable consequences, i.e., a significant increase in maintenance and repair needed for the boiler. For this purpose, the Permittee shall conduct at least four additional emission tests beyond the initial performance test (total of at least five tests) spread out during the period in which the evaluation is being performed, with each test including measurements for filterable particulate matter, condensable particulate matter and sulfuric acid mist.

ii. A. If the Permittee fails to perform the necessary emission testing for evaluation of Total PM emissions, the limit for Total PM shall automatically be lowered to 0.018 lb/million Btu.

B. If the Permittee fails to complete the evaluation in a timely manner in accordance with Condition 2.1.15(b), the limit for Total PM shall automatically be lowered to the greater of (1) 0.018 lb/million Btu or (2) the sum of the average of the results from the required periodic compliance tests (excluding any tests showing noncompliance and any test results that do not reflect representative operating conditions or otherwise reflect outlying data) and the standard deviation of such results, rounded to two significant digits. (If the statistical evaluation of test results yields a value greater than 0.035 lb/million Btu, i.e., the limit in Condition 2.1.2(b), the limit shall remain at 0.035 lb/million Btu.)

iii. This permit will be revised to set lower limit(s) for Total PM emissions (but no lower than the above default limits); if the Illinois EPA, after considering the results of any evaluation performed by the Permittee, finds that the boiler can and should be able to consistently comply with such limit(s) without unreasonable consequences.

b. i. If the Permittee elects to perform an evaluation for Total PM emissions, the evaluation shall be performed in accordance with a plan submitted to the Illinois EPA for review and comment. The plan shall provide for evaluation of Total PM emissions at moderate load operation of the boiler as well as operation at full load. The initial plan shall be submitted to the Illinois EPA no later than 180 days after initial start-up of the boiler.

ii. A. This evaluation shall be completed and a detailed written report submitted to the Illinois EPA within three years after the initial startup of the boiler. This report shall include proposed alternative limit(s) for Total PM emissions.

B. This deadline may be extended for an additional year if the Permittee submits an interim report demonstrating the need for additional data to effectively set a revised limit for PM emissions. During this year, at least two more emission tests shall be conducted to collect additional emission data.

CONDITION 2.2: UNIT-SPECIFIC CONDITIONS FOR FUEL AND OTHER BULK MATERIAL HANDLING, STORAGE, PROCESSING AND LOAD OUT OPERATIONS

2.2.1 Description of Emission Units

The affected units for the purpose of these unit-specific conditions are equipment and facilities handling coal and other bulk materials that are involved with the operation of the affected boiler and that have the potential for particulate matter (PM) emissions. In addition to fuel (coal) for the boiler, limestone is received, handled and stored as a raw material for the scrubber on the boiler. Bottom ash, fly ash and gypsum, which are by-products of the boiler, ESP and scrubber, are also handled, stored and loaded out by truck.

The affected units include new units specifically installed as part of this project. The affected units also include certain existing units that will be altered as part of this project. Only the bottom ash and fly ash from the affected boiler will be handled with entirely new systems. Coal for the affected boiler will be received at the existing truck dump and transferred by existing conveyor to a point above the existing coal storage pile, where coal for the boiler will then be diverted to a new conveyor serving the new coal handling and storage system for the boiler, including the coal storage pile for the boiler. Limestone will be handled in a similar manner, with limestone being received at an existing truck dump and subsequently diverted to the new handling and storage system for limestone for the scrubber on the affected boiler. Gypsum from the affected boiler will be transferred by a new conveyor system to the existing facilities for storage and load out of gypsum, which now handle the gypsum from the scrubbers on the three existing Dallman boilers.

PM emissions associated with certain affected units that handle material that is wet, such as bottom ash and gypsum, will be minimized because the material is wet. PM emissions from the units that handle dry materials will be controlled by various measures including enclosure and covers, application of water and dust suppressants, and dust collection devices.

2.2.2 Control Technology Determination

a. i. PM emissions from an affected unit handling a wet material shall be controlled by:

1. Maintaining the material with adequate moisture to prevent visible emissions directly from such unit during the handling, storage or load out of the material.

2. Collection of spilled material that could become airborne if it dried or were subject to vehicle traffic as part of the Program for Control of Fugitive Dust required by Condition 2.4.

ii. For this purpose, a wet material is a material that has sufficient moisture during normal operation to minimize the potential for direct emissions, including bottom ash from the affected boiler, which will be collected in a water bath at the bottom of the boiler, gypsum from the scrubber on the boiler, which will be produced by mechanical dewatering of scrubber sludge, and other similar materials with high levels of moisture.

b. PM emissions from an affected unit handling a dry material, other than an existing receiving facility for dry material or a storage pile for dry material and handling operations associated with the storage pile, shall be controlled by:

i. Enclosure of the unit so as to prevent visible fugitive emissions, as defined by 40 CFR 60.671, from the affected unit.

ii. Aspiration to a control device designed to emit no more than 0.01 grains/dry standard cubic foot (gr/dscf), which device shall be operated in accordance with good air pollution control practice to minimize emissions. For this purpose, the control device shall be a baghouse or other filtration type device unless the Permittee demonstrates and the Illinois EPA concurs that another type of control device is preferable due to considerations of operational safety.

c. i. Storage piles shall not be used for storage of fly ash unless the ash has been thoroughly mixed with water so as to effectively eliminate the potential for fugitive emissions.

ii. PM emissions from storage piles for dry material, including material handling operations associated with the piles, shall be controlled by application of water or other dust suppressants so as to minimize fugitive emissions to the extent practicable. For this purpose, there shall either:

A. Be no visible emissions from the affected unit, as determined in accordance with USEPA Method 22, or

B. A nominal control efficiency shall be achieved from the uncontrolled emission rate, as follows, as determined using appropriate USEPA emission factors for particulate emissions from handling of a material dry, in the absence of any control of emissions, and engineering analysis and calculations for the control measures that are actually present: 1) Coal: 90 percent; and 2) Limestone: 99 percent.

d. PM emissions from an existing receiving facility for dry material that is used to receive a material for the affected boiler shall be controlled by:

i. Enclosure of the unit and other practices to control PM emissions from the unit such that the opacity of PM emissions does not exceed 10 percent.

ii. Compliance with the requirements of Condition 2.2.2(b)(ii) for any control device that is used to control PM emissions from the unit, if a control device is used.

2.2.3 Applicable Federal Emission Standards

a. Affected units engaged in handling limestone that are affected facilities for purposes of the NSPS for Nonmetallic Mineral Processing Plants, 40 CFR 60, Subpart OOO shall comply with applicable requirements of 40 CFR 60, Subpart OOO and related provisions of 40 CFR 60, Subpart A. The affected facilities for purposes of this NSPS, as specified in 40 CFR 60.670(a), include crushers, grinding mills, screening operations, bucket elevators, belt conveyors, storage bins, and enclosed truck loading stations:

i. Pursuant to the NSPS, 40 CFR 60.672(a), stack emissions of PM from affected facilities are subject to the following limitations:

A. The rate of emissions shall not exceed 0.05 gram/dscm (0.02 gr/dscf).

B. The opacity of emissions shall not exceed 7 percent.*

* This limit would not apply if emissions were to be controlled by a wet scrubber.

ii. Pursuant to the NSPS, 40 CFR 60.672(b), (c) and (d), fugitive emissions of PM from affected facilities are subject to the following limits:

A. The opacity of emissions from any transfer point on a belt conveyor or any other affected facility shall not exceed 10 percent, provided however that this limit would not apply to the opacity of emissions from truck dumping into a screening operation, feed hopper, or crusher, if material were to be dumped directly into an affected facility by truck.

B. Notwithstanding the above, the opacity of fugitive emissions from any crusher for which a capture system is not used, other than emissions from truck dumping into the unit, shall not exceed 15 percent.

iii. Pursuant to the NSPS, 4Q CFR 60.672(e), if an affected facility is enclosed in a building, the facility is subject to applicable limits above or the building is subject to the following limits:

A. There shall be no visible fugitive emissions from the building except emissions from a vent as defined in 40 CFR 60.671.

B. Emissions from each vent from the building shall comply with the applicable limits for stack emissions, as set forth in Condition 2.2.3(a)(i).

b. Affected units engaged in handling and processing coal shall comply with applicable requirements of the NSPS for Coal Preparation Plants, 40 CFR 60, Subpart Y, and related provisions of 40 CFR 60, Subpart A.

Pursuant to the NSPS, the opacity of the exhaust from coal processing and conveying equipment, coal storage systems (other than open storage piles), and coal loading systems shall not exceed 20 percent. [40 CFR 60.252(c)]

c. At all times, the Permittee shall maintain and operate affected units that are subject to NSPS, including associated air pollution control equipment, in a manner consistent with good air pollution control practices for minimizing emissions, pursuant to 40 CFR 60.11(d).

2.2.4 Applicable State Emission Standards

a. The emission of smoke or other PM from affected units shall not have an opacity greater than 30 percent, except as allowed by 35 IAC 212.124. Compliance with this limit shall be determined by 6-minute averages of opacity measurements in accordance with USEPA Reference Method 9. [35 IAC 212.109 and 212.123(a)]

b. With respect to emissions of fugitive PM, affected units shall comply with 35 IAC 212.301, which provides that emissions of fugitive PM shall not be visible from any process, including any material handling or storage activity, when looking generally toward the zenith at a point beyond the property line of the source, except when the wind speed exceeds 25 miles per hour, as provided by 35 IAC 212.314.

c. The emissions of PM from affected units other than units excluded by 35 IAC 212.323 (refer to Condition 2.2.5(b)) shall comply with the applicable limit pursuant to 35 IAC 212.321, which rule limits emissions based on the process weight rate of emission units and allows a minimum emission rate of 0.55 lb/hour for any individual unit.

2.2.5 Applicability of Other Regulations

a. This permit is issued based on the affected units that handle gypsum not being subject to the NSPS, 40 CFR 60 Subpart OOO because the Permittee does not crush or grind gypsum, so that the Permittee does not operate a nonmetallic mineral processing plant, as defined by 40 CFR 60.671, for gypsum.

b. This permit is issued based on the storage piles and associated operations and the coal handling operations associated with the affected boiler not being subject to 35 IAC 212.321 pursuant to 35 IAC 212.323, which provides that 35 IAC 212.321 shall not apply to emission units, such as stock piles, to which, because of the disperse nature of such emission units, such rules cannot reasonably be applied.

2.2.6 Operating Requirements

a. i. Bulk materials, associated with the operation of the affected boiler that have the potential for PM emissions, shall be stored in silos, bins, and buildings, without storage of such materials in outdoor piles except on a temporary basis during breakdown or other disruption in the capabilities of the enclosed storage facilities.

ii. Outdoor storage piles for a dry material associated with the affected boiler shall be equipped and operated with adjustable stacker(s), rotary stacker(s), ladders or other comparable devices to minimize the distance that material drops when added to the pile and minimize the associated PM emissions.

b. The Permittee shall implement and maintain control measures for the affected units that minimize visible emissions of PM and provide assurance of compliance with the applicable limits and standards in Conditions 2.2.2, 2.2.3 and 2.2.4.

c. The affected units, including associated control equipment shall be operated and maintained in accordance with good air pollution control practice to minimize emissions.

2.2.7 Emission Limitations

Annual emissions of particulate matter (PM) from the affected units shall not exceed 11.8 tons/year. Compliance with this annual emission limit shall be determined from a rolling total of 12 months of emission data, calculated from the material handled for the affected boiler, operating information for affected units, and appropriate emission factors. (Refer to Conditions 2.2.11(h).)

2.2.8-1 Initial Performance Testing

a. Within 60 days after achieving the maximum production rate at which each new affected unit subject to NSPS will be operated, but not later than 180 days after initial startup of each such unit, the Permittee shall have emissions tests conducted at its expense as follows below by an approved testing service under unit operating conditions that are representative of maximum emissions.

b. The following methods and procedures shall be used for emission testing:

i. The following USEPA methods and procedures shall be used for the affected units subject to 40 CFR Part 60, Subpart OOO, as specified in 40 CFR 60.675, for PM measurements for stack emissions and opacity measurements for both stack and fugitive emissions:

PM - Method 5 or 17
Opacity - Method 9

ii. The following USEPA methods and procedures shall be used for PM and opacity measurements for the affected units subject to 40 CFR 60, Subpart Y, as specified in 40 CFR 60.254:

PM - Method 5, with the sampling time and sample volume for each run to be at least 60 minutes and 30 dscf and sampling to begin no less than 30 minutes after startup and to terminate before shutdown begins.

Opacity - Method 9, with measurements performed by a certified observer.

c. Test plan(s), test notifications, and test reports shall be submitted to the Illinois EPA in accordance with Condition 3.2.

2.2.8-2 Periodic Testing

a. i. Unless otherwise specified for the affected units by the source's CAAPP permit, the Permittee shall have the opacity of the emissions of the affected units during representative weather and operating conditions determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below.

A. If emissions are normally visible from a unit when it is in operation, as determined by USEPA Reference Method 22, opacity testing shall be conducted at least annually.

B. Upon written request by the Illinois EPA, such testing shall be conducted for specific affected units within 45 calendar days of the request or on the date agreed upon by the Illinois EPA, whichever is later.

ii. The duration of opacity observations for each test shall be at least 30 minutes (five 6-minute averages) unless the average opacities for the first 12 minutes of observations (two six-minute averages) are both less than 5.0 percent.

iii. A. The Permittee shall notify the Illinois EPA at least 7 days in advance of the date and time of these tests, in order to allow the Illinois EPA to witness testing. This notification shall include the name and employer of the qualified observer(s).

B. The Permittee shall promptly notify the Illinois EPA of any changes in the time or date for testing.

iv. The Permittee shall provide a copy of its observer's readings to the Illinois EPA at the time of testing, if Illinois EPA personnel are present.

v. The Permittee shall submit a written report for this testing within 15 days of the date of testing. This report shall include:

A. Date and time of testing.

B. Name and employer of qualified observer.

C. Copy of current certification.

D. Description of observation conditions, including recent weather.

E. Description of the operating conditions of the affected processes.

F. Raw data.

G. Opacity determinations.

H. Conclusions.

b. Unless otherwise specified for the affected units by the source's CAAPP permit:

i. Within 90 days of a written request from the Illinois EPA, the Permittee shall have the PM emissions at the stacks or vents of affected units, as specified in such request, measured during representative operating conditions, as set forth below.

ii. A. Testing shall be conducted using appropriate USEPA Test Methods, including Method 5 or 17 for PM emissions.

B. Compliance may be determined from the average of three valid test runs, subject to the limitations and conditions contained in 35 IAC Part 283.

iii. The Permittee shall submit a test plan to the Illinois EPA at least 60 days prior to testing, which plan shall include

the information for test plans specified by General Condition 8.6.2 of the source's CAAPP permit.

iv. The Illinois EPA shall be notified prior to these tests to enable the Illinois EPA to observe these tests. Notification of the expected date of testing shall be submitted a minimum of 30 days prior to the expected date. Notification of the actual date and expected time of testing shall be submitted a minimum of 5 working days prior to the actual date of the test. The Illinois EPA may, at its discretion, accept notification with shorter advance notice provided that the Illinois EPA will not accept such notification if it interferes with the Illinois EPA's ability to observe the testing.

v. The Permittee shall expeditiously submit Final Report(s) for required emission testing to the Illinois EPA, no later than 90 days after the date of testing. These reports shall include the information specified in Condition 8.6.3 of the source's CAAPP permit and the following information:

A. A summary of results.

B. Detailed description of test method(s), including description of sampling points, sampling train, analysis equipment, and test schedule.

C. Detailed description of the operating conditions of the affected process during testing, including operating rate (tons/hr) and the control measures being used.

D. Detailed data and calculations, including copies of all raw data sheets and records of laboratory analyses, sample calculations, and data on equipment calibration.

E. Representative opacity data (6-minute average) measured during testing.

2.2.9 Operational Instrumentation

a. The Permittee shall install, operate and maintain systems to measure the pressure drop across each baghouse used to control affected units, other than bin vent filters and other similar filtration devices.

b. The Permittee shall maintain the records of the measurements made by these systems and records of maintenance and operational activity associated with the systems.

2.2.10 Inspections

a. i. The Permittee shall conduct inspections of affected units on at least a monthly basis with personnel who are not directly responsible for the day-to-day operation of these units, for the specific purpose of verifying that the measures identified in the operating program and other measures required to control emissions from affected units are being properly implemented.

ii. These inspections shall include observation for the presence of visible emissions, performed in accordance with USEPA Method 22, from buildings in which affected units are located and from units from which the Permittee has elected to demonstrate no visible emissions.

b. The Permittee shall perform detailed inspections of the dust collection equipment for affected units while the units are out of service, with an initial inspection performed before any maintenance and repair activities are conducted during the period the unit is out of service and a follow-up inspection performed after any such activities are completed. These inspections shall be conducted at least every 15 months, except for control devices for units handling dry fly ash. Units handling dry fly ash shall be inspected at least every 9 months or, if the affected boiler has operated without a scheduled outage for more than 9 months since the previous inspection, during the next scheduled outage of the boiler or during any unscheduled outage of the affected boiler that extends for more than 143 hours, whichever occurs first.

2.2.11 Recordkeeping

a. For affected units that are subject to NSPS, the Permittee shall fulfill applicable recordkeeping requirements of the NSPS, 40 CFR 60.7 and 60.676 (applicable to units handling limestone).

b. The Permittee shall maintain file(s), which shall be kept current, that contain:

i. The maximum operating capacity of each affected unit or group of related units (tons/hour).

ii. A. For the baghouses and other filter devices associated with affected units, design specifications for each device (type of unit, maximum design exhaust flow (acfm and scfm), filter area, type of filter cleaning, performance guarantee for particulate exhaust loading in gr/scf, etc.), the manufacturer's recommended operating and maintenance procedures for the device, and design specification for the filter material in each device (type of material, surface treatment(s) applied to material, weight, performance guarantee, warranty provisions, etc.).

B. For each baghouse, the normal range of pressure drop across the device and the minimum and maximum safe pressure drop for the device, with supporting documentation.

iii. For affected units that are not controlled with baghouses or other filter-type devices, a detailed description of the work practices used to control emissions of PM pursuant to Condition 2.2.6(c). These control measures are referred to as the "established control measures" in this subsection of this permit.

iv. The designated PM emission rate, in pounds/hour and tons/year, from affected units, either individually or grouped by related units, with supporting calculations and documentation, including detailed documentation for the level of emissions control achieved through the work practices that are used to control PM emissions. For each category of affected unit (e.g., coal handling), the sum of these emission rates shall not exceed the totals in Table 1-B for the category of affected unit. (See also Condition 2.2.7.)

v. A demonstration that confirms that the above established control measures are sufficient to assure compliance with the above emissions rates and, for units to which it applies, Condition 2.2.4(c), at the maximum process weight rate at which each affected unit can be operated (tons/hour), with supporting emission calculations and documentation for the emission factors and the efficiency of the control measures being relied upon by the Permittee. Except as addressed by Condition 2.2.11(a)(ii) or testing of PM emissions from an affected unit is conducted in accordance with Condition 2.2.7, this demonstration shall be developed using emission factors for uncontrolled PM emissions, efficiency of control measures, and controlled PM emissions published by USEPA.

c. The Permittee shall keep records for the amount of bulk materials associated with the operation of the affected boiler received by or loaded out from the source by category or type of material (tons/month).

d. i. The Permittee shall keep inspection and maintenance log(s) for the control measures associated with the affected units, including buildings and enclosures, dust suppression systems and control devices.

ii. These records shall include the following information for the inspections required by Condition 2.2.10(a):

A. Date and time the inspection was performed and name(s) of inspection personnel.

B. The observed condition of the control measures for each affected unit, including the presence of any visible emissions.

C. A description of any maintenance or repair associated with established control measures that is recommended as a result of the inspection and a review of outstanding recommendations for maintenance or repair from previous inspection(s), i.e., whether recommended action has been taken, is yet to be performed or no longer appears to be required.

D. A summary of the observed implementation or status of actual control measures, as compared to the established control measures.

iii. These records shall include the following information for the inspections required by Condition 2.2.10(b):

A. Date and time the inspection was performed and name(s) of inspection personnel.

B. The observed condition of the dust collection equipment.

C. A summary of the maintenance and repair that is to be or was conducted on the equipment.

D. A description of any maintenance or repair that is recommended as a result of the inspection and a review of outstanding recommendations for maintenance or repair from previous inspection(s), i.e., whether recommended action has been taken, is yet to be performed or no longer appears to be required.

E. A summary of the observed condition of the equipment as related to its ability to reliably and effectively control emissions.

e. The Permittee shall maintain records of the following for each incident when any affected unit operated without the control measures required by Condition 2.2.2 or 2.2.6(b) or (c):

i. The date of the incident and identification of the unit(s) that were involved.

ii. A description of the incident, including: the established control measures that were not present or implemented; the established control measures that were present, if any; and other control measures or mitigation measures that were implemented, if any.

iii. The time at and means by which the incident was identified, e.g., scheduled inspection or observation by operating personnel.

iv. Operational data for the incident, e.g., the measured pressure drop of a baghouse, if the pressure drop of the baghouse, as measured pursuant to Condition 2.2.9, deviated outside the levels set as good air pollution control practices.

v. The corrective action(s) taken and the length of time after the incident was identified that the unit(s) continued to operate before established control measures were in place or the operations were shutdown (to resume operation only after established control measures were in place) and, if this time was more than one hour, an explanation why this time was not shorter, including a detailed description of any mitigation measures that were implemented during the incident.

vi. The estimated total duration of the incident, i.e., the total length of time that the unit(s) ran without established control measures and the estimated amount of material processed during the incident.

vii. A discussion of the probable cause of the incident and any preventative measures taken.

viii. An estimate of any additional emissions of PM (pounds) above the PM emissions associated with normal operation that resulted from the incident, if any, with supporting calculations.

ix. A discussion whether any applicable emission standard, as listed in Condition 2.2.2, 2.2.3, or 2.2.4 or any applicable emission rate, as identified in the records pursuant to Condition 2.2.10(b), may have been violated during the incident, with an estimate of the amount of any excess PM emissions (lbs) and supporting explanation.

f. The Permittee shall maintain the following records for the emissions of the affected units:

i. A file containing the standard emission factors used by the Permittee to determine PM emissions from the units, with supporting documentation.

ii. Records of PM emissions based on operating data for the unit(s) and appropriate emission factors, with supporting documentation and calculations.

g. The Permittee shall keep records for all opacity measurements made in accordance with USEPA Method 9 for affected units that it conducts or that are conducted at its behest by individuals who

are qualified to make such observations. For each occasion on which such measurements are made, these records shall include the formal report for the measurements if conducted pursuant to Condition 2.2.7-1 or 2.2.7-2, or otherwise the identity of the observer, a description of the measurements that were made, the operating condition of the affected unit, the observed opacity, and copies of the raw data sheets for the measurements.

2.2.12 Notifications

The Permittee shall notify the Illinois EPA within 30 days of deviations from applicable emission standards or operating requirements for the affected units that continue* for more than 24 hours. These notifications shall include the information specified by Condition 3.5.

* For this purpose, time shall be measured from the start of a particular event. The absence of a deviation for a short period shall not be considered to end the event if the deviation resumes. In such circumstances, the event shall be considered to continue until corrective actions are taken so that the deviation ceases or the Permittee takes the affected unit out of service for repairs.

2.2.13 Reporting Requirements

a. The Permittee shall submit quarterly reports to the Illinois EPA for all deviations from emission standards, including standards for visible emissions and opacity, and operating requirements set by this permit. These notifications shall include the information specified by Condition 3.5.

b. These reports shall also address any deviations from applicable compliance procedures established by this permit for affected units.

2.2.14 Operational Flexibility

The Permittee is authorized, as follows, to construct and operate affected units that differ from those described in the application in certain respects without obtaining further approval by the Illinois EPA. This condition does not affect the Permittee's obligation to comply with all applicable requirements for affected units:

a. This authorization only extends to changes that result from the detailed design of the project and any refinements to that design of the affected units that occur during construction and the initial operation of the affected facility.

b. With respect to air quality impacts, these changes shall generally act to improve dispersion and reduce impacts, as emissions from individual units are lowered, units are moved apart or away from the fence line, stack heights are increased, and heights of nearby structures are reduced.

c. The Permittee shall notify the Illinois EPA prior to proceeding with any changes. In this notification, the Permittee shall describe the proposed changes and explain why the proposed changes will act to reduce impacts, with detailed supporting documentation.

d. Upon written request by the Illinois EPA, the Permittee shall promptly have air quality dispersion modeling performed to demonstrate that the overall effect of the changes is to reduce air quality impacts, so that impacts from affected units remain at or below those predicted by the air quality analysis accompanying the application.

CONDITION 2.3: UNIT-SPECIFIC CONDITIONS FOR COOLING TOWER

2.3.1 Description of Emission Unit

The affected unit for the purpose of this unit-specific condition is a cooling tower associated with the steam cycle for the affected boiler. The cooling tower is a source of particulate because of mineral material present in the water, which is emitted to the atmosphere due to water droplets that escape from the cooling tower or completely evaporate. The emissions of PM are controlled by drift eliminators, which collect water droplets entrained in the air exhausted from the cooling tower.

2.3.2 Control Technology Determination

The affected unit shall be equipped, operated, and maintained with drift eliminators designed to limit the loss of water droplets from the unit to not more than 0.0005 percent of the circulating water flow.

2.3.3 Applicable Federal Emission Standards

None

2.3.4 Applicable State Emission Standards

a. The emission of smoke or other PM from the affected unit shall not have an opacity greater than 30 percent, except as allowed by 35 IAC 212.124. Compliance with this limit shall be determined by 6-minute averages of opacity measurements in accordance with USEPA Reference Method 9. [35 IAC 212.109 and 212.123(a)]

b. With respect to emissions of fugitive PM, the affected unit shall comply with 35 IAC 212.301, which provides that emissions of fugitive PM shall not be visible from any process, including any material handling or storage activity, when looking generally toward the zenith at a point beyond the property line of the source, except when the wind speed exceeds 25 miles per hour, as provided by 35 IAC 212.314.

c. The emissions of PM from the affected unit shall comply with the applicable limit pursuant to 35 IAC 212.321.

2.3.5 Applicability of Other Regulations

None

2.3.6 Operating Requirements

a. Chromium-based water treatment chemicals, as defined in 40 CFR 63.401, shall not be used in the affected unit.

b. i. The Permittee shall equip the affected unit with appropriate features, such as louvered heating coils

designed to heat tower plenum air as required, to enable it to be operated without a significant contribution to fogging and icing on offsite roadways during periods when fogging or icing are present in the area or weather conditions are conducive to fogging or icing.

ii. Notwithstanding the above, the Permittee need not include such features in the affected unit if it demonstrates by appropriate analysis, as approved in writing by the Illinois EPA, that the cooling tower will be sited and designed and can be operated such that additional features are not needed to prevent a significant contribution to fogging and icing on offsite roadways.

c. The Permittee shall operate and maintain the affected unit, including the drift eliminators, in a manner consistent with good air pollution control practices for minimizing emissions.

d. The Permittee shall operate and maintain the affected unit in accordance with written operating procedures, which procedures shall be kept current. These procedures shall address the practices that will be followed as good air pollution control practices and the actions that will be followed to prevent a significant contribution to icing and fogging on offsite roadways.

2.3.7 Emission Limitations

The total annual emissions of PM from the affected unit shall not exceed 9.64 tons/year, as determined by appropriate emission factors and engineering calculations.

2.3.8 Emission Testing

None

2.3.9 Work Practices

The Permittee shall maintain the drift eliminators in the affected unit in a manner consistent with good air pollution control practices for minimizing emissions.

2.3.10 Operational Measurements

a. The Permittee shall sample and analyze the water being circulated in the affected unit on at least a monthly basis for the total dissolved solids content. Measurements of the total dissolved solids content in the wastewater discharge associated with the affected unit, as required by a National Pollution Discharge Elimination System permit, may be used to satisfy this requirement if the effluent has not been diluted or otherwise treated in a manner that would significantly reduce its total dissolved solids content.

b. Upon written request by the Illinois EPA, the Permittee shall promptly have the water circulating in the affected unit sampled and analyzed for the presence of hexavalent chromium in accordance with the procedures of 40 CFR 63.404(a) and (b).

2.3.11 Records

a. The Permittee shall keep a file that contains:

i. The design loss specification for the drift eliminators installed in the affected unit.

ii. The suppliers' recommended procedures for inspection and maintenance of the drift eliminators.

iii. The operating factors, if any, used to determine the amount of water circulated in the affected unit or the PM emissions from the affected unit, with supporting documentation.

iv. Copies of the Material Safety Data Sheets or other comparable information from the suppliers for the various water treatment chemicals that are added to the water circulated in the affected unit.

b. The Permittee shall keep the following operating records for the affected unit:

i. The amount of water circulated in the affected unit, gallons/month. As an alternative to direct data for water flow, these records may contain other relevant operating data for the unit (e.g., water flow to the unit) from which the amount of water circulated in the unit may be reasonably determined.

ii. Each occasion when the Permittee took action to prevent a significant contribution to fogging or icing from the affected unit, including the date and duration, the action or actions that were taken, the weather conditions that triggered such actions, and the weather conditions when such actions were terminated.

c. The Permittee shall keep inspection and maintenance logs for the drift eliminators installed in the affected unit.

d. The Permittee shall maintain records for the PM emissions of the affected unit based on the above records, the measurements required by Condition 2.3.10(a), and appropriate USEPA emission estimation methodology and emission factors, with supporting calculation.

2.3.12 Notifications

The Permittee shall notify the Illinois EPA within 30 days of deviations from applicable requirements that are not addressed by the regular reporting required by Condition 2.3.13. These notifications shall include the information specified by Condition 3.5.

2.3.13 Reporting

If the cooling tower is equipped with features to address fogging and icing, as addressed by Condition 2.3.6(b), the Permittee shall submit quarterly reports to the Illinois EPA summarizing the records required by Condition 2.3.11(b)(ii) and identifying any deviation from established practices for the use of such features.

CONDITION 2.4: UNIT-SPECIFIC CONDITIONS FOR ROADWAYS AND OTHER OPEN AREAS

2.4.1 Description of Emission Units

The affected units for the purpose of these unit-specific conditions are roadways, parking areas, and other open areas associated with the operation of the affected boiler and with existing activities at the plant,* which may be sources of fugitive particulate due to vehicle traffic or wind blown dust. These emissions are controlled by paving and implementation of work practices to prevent the generation and emissions of particulate matter.

* Emissions of affected units associated with existing activities at the plant are addressed by this condition because of the magnitude of their contribution to the maximum impacts of the plant on particulate matter air quality, as determined by the air quality analysis accompanying the permit application, which impacts occur along the northwestern corner of the plant's fence line.

2.4.2 Control Technology Determination

a. The opacity of fugitive particulate emissions from affected units, except during periods of high wind speeds, shall not exceed 10 percent opacity. For this purpose, opacity and the presence of high wind speeds shall be determined in accordance with 35 IAC 212.109 and 35 IAC 212.314, respectively.

b. i. Good air pollution control practices shall be implemented to minimize and significantly reduce nuisance dust from affected units associated with the affected boiler. After construction of the affected boiler is complete, these practices shall provide for pavement on all regularly traveled roads and treatment (flushing, vacuuming, dust suppressant application, etc.) of roadways and areas that are routinely subject to vehicle traffic for very effective control of dust (nominal 90 percent control).

ii. For this purpose, roads that serve any new office building, new employee parking areas or are used on a daily basis by operating and maintenance personnel for the affected boiler in the course of their typical duties, roads that experience heavy use during regularly occurring maintenance of the affected boiler during the course of a year, shall all be considered to be subject to regular travel and are required to be paved. Regularly traveled roads shall be considered to be subject to routine vehicle traffic except as they are used primarily for periodic maintenance and are currently inactive or as traffic has been temporarily blocked off. Other roads shall be considered to be routinely traveled if activities are occurring such that they are experiencing significant vehicle traffic.

c. The handling of material collected from any affected unit associated with the affected boiler by sweeping or vacuuming

trucks shall be enclosed or shall utilize spraying, pelletizing, screw conveying or other equivalent methods to control PM emissions.

2.4.3 Applicable Federal Emission Standards

None

2.4.4 Applicable State Emission Standards

a. All affected units shall comply with 35 IAC 212.301, which provides that emissions of fugitive particulate matter shall not be visible from any process, including any material handling or storage activity, when looking generally toward the zenith at a point beyond the property line of the source, except when the wind speed is greater than 25 miles per hour, as provided by 35 IAC 212.314..

2.4.5 Applicability of Other Regulations

None

2.4.6 Operational and Production Limits and Work Practices

a. The Permittee shall carry out control of fugitive particulate emissions from all affected units in accordance with a written operating program describing the measures being implemented in accordance with Conditions 2.4.2(b) and 2.4.4 to control emissions at each unit with the potential to generate significant quantities of such emissions, which program shall be kept current.

i. The written operating program shall include:

A. Maps or diagrams indicating the location of affected units with the potential to generate significant quantities of fugitive particulate, with description of the unit (length, width, surface material, etc.) and volume and nature of expected vehicle traffic, or other activity on such unit, and an identification of any roadways that are not considered routinely traveled, with justification.

B. A detailed description of the emissions control technique(s) (e.g., vacuum truck, water spray, surfactant spray, water flushing, dust suppressant application, or sweeping) for the affected unit, including: typical application rate; type and concentration of additives; normal frequency with which measures would be implemented; circumstances, in which the measure would not be implemented, e.g., recent precipitation; triggers for additional control, e.g., observation of 8 percent opacity; and calculated control efficiency for PM emissions.

ii. The Permittee shall submit copies of the written operating program to the Illinois EPA for review as follows:

A. A program addressing affected units during the construction of the affected boiler and associated facilities shall be submitted within 30 days of beginning actual construction of this project.

B. A program addressing affected units with the operation of the affected boiler and associated facilities shall be submitted within 90 days of initial start up of the affected boiler.

C. Significant amendments to the program by the Permittee shall be submitted within 30 days of the date that the amendment is made.

iii. A revised operating program shall be submitted to the Illinois EPA for review within 90 days of a request from the Illinois EPA for revision to address observed deficiencies in control of fugitive particulate emissions.

b. The Permittee shall conduct inspections of affected units on at least a weekly basis during construction of the affected boiler and associated facilities and on a monthly basis thereafter with personnel not directly responsible for the day-to-day implementation of the fugitive dust control program, for the specific purpose of verifying that the measures identified in the operating program and other measures required to control emissions from affected units are being properly implemented.

2.4.7 Emission Limitations

a. The emissions of PM from affected units, as PM10, shall not exceed the following limits. Compliance with these limits shall be determined by vehicle traffic and other operating data for the affected boiler and other activities at the plant, information for the implementation of the operating program, appropriate emission factors, and engineering calculations.

i. Total emissions from the affected units associated with operation of the affected boiler shall not exceed 7.7 tons/year.

ii. Total emissions from all affected units shall not exceed 20.6 tons/year.

iii. Total emissions from the "entrance road" shall not exceed 5.8 tons/year and 31.8 pounds/day. For this purpose, the entrance road is the road segment starting at the entrance to the plant on Stevenson Drive and continuing along near the northwestern borders of the plant for approximately 1100 feet, upon which most trucks serving the plant travel.

2.4.8 Emission Testing

None

2.4.9 Opacity Observations

a. The Permittee shall conduct observations of the opacity of fugitive particulate emissions from the affected units as follows.

b. Performance observations, which include a series of observations, shall be conducted as follows to determine the range of opacity from affected units and the change in opacity as related to the amount and nature of vehicle traffic and implementation of the operating program. For performance observations, the Permittee shall submit test plans, test notifications and test reports, as specified by General Condition 3.2.

i. Performance observations shall first be completed no later than 30 days after the date that initial emission testing of the affected boiler is performed, as required by Condition 2.1.8, in conjunction with the measurements of silt loading on the affected units required by Condition 2.4.10.

ii. Performance observations shall be repeated within 30 days in the event of changes involving affected units that would act to increase opacity (so that observations that are representative of the current circumstances of the affected units have not been conducted), including changes in the amount or type of traffic on affected units, changes in the standard operating practices for affected units, such as application of salt or traction material during cold weather, and changes in the operating program for affected units.

c. Compliance observations shall be conducted for affected units on at least a quarterly basis to verify opacity levels and confirm the effectiveness of the operating program in controlling emissions.

d. Upon written request by the Illinois EPA, the Permittee shall conduct performance or compliance observations, as specified in the request. Unless another date is agreed to by the Illinois EPA, performance observations shall be completed within 30 days and compliance observations shall be completed within 5 days of the Illinois EPA's request.

2.4.10 Operational Measurements

a. The Permittee shall conduct measurements of the silt loading on various affected roadway segments and parking areas, as follows:

i. Sampling and analysis of the silt loading shall be conducted using the "Procedures for Sampling Surface/Bulk Dust Loading," Appendix C.1 in *Compilation of Air Pollutant Emission Factors*, USEPA, AP-42. A series of samples shall be taken to determine the average silt loading and address the change in silt loadings as related to the amount and nature of vehicle traffic and implementation of the operating program.

ii. Measurements shall be performed by the following dates:

A. Measurements shall first be completed no later than 30 days after the date that initial emission testing of the affected boiler is performed, as required by Condition 2.1.8.

B. Measurements shall be repeated within 30 days in the event of changes involving affected units that would act to increase silt loading (so that data that is representative of the current circumstances of the affected units has not been collected), including changes in the amount or type of traffic on affected units, changes in the standard operating practices for affected units, such as application of salt or traction material during cold weather, and changes in the operating program for affected units.

C. Upon written request by the Illinois EPA, the Permittee shall conduct measurements, as specified in the request, which shall be completed within 75 days of the Illinois EPA's request.

iii. The Permittee shall submit test plans, test notifications and test reports for these measurements as specified by General Condition 3.2.

2.4.11 Records

a. The Permittee shall keep a file that contains:

i. The operating factors, if any, used to determine the amount of activity associated with the affected units or the PM emissions from the affected units, with supporting documentation.

ii. The designated PM emission rate, in tons/year, from each category of affected units (e.g., traffic associated with receiving of limestone for the affected boiler), with supporting calculations and documentation. The sum of these rates shall not exceed the annual limit on emissions in Condition 2.4.7.

b. The Permittee shall maintain records documenting implementation of the operating program required by Condition 2.4.6, including:

i. Records for each treatment of an affected unit or units:

A. The identity of the affected unit(s), the date and time, and the identification of the truck(s) or treatment equipment used;

B. For application of dust suppressant by truck: target application rate or truck speed during application, total quantity of water or chemical used and, for application of a chemical or chemical solution, the identity of the chemical and concentration, if applicable;

C. For sweeping or cleaning: Identity of equipment used and identification of any deficiencies in the condition of equipment; and

D. For other type of treatment: A description of the action that was taken.

ii. Records for performance of the inspections required by Condition 2.4.6(b), including description of inspection, date and time, and findings.

iii. Records for each incident when control measures were not implemented and each incident when additional control measures were implemented due to particular activities, including description, date, the means by which the incident was identified, a statement of explanation, and expected duration of such circumstances.

c. The Permittee shall record any period during which an affected unit was not properly controlled as required by this permit, which records shall include at least the information specified by General Condition 3.3 and an estimate of the additional PM emissions that resulted, if any, with supporting calculations.

d. The Permittee shall keep records for the measurements conducted for affected units pursuant to Condition 2.4.9, including records for the sampling and analysis activities and results.

e. The Permittee shall maintain records for the PM emissions of the affected units to verify compliance with the limits in Condition 2.4.7, based on operating data for the affected boiler and other activities at the plant, the above records for the affected units including data for implementation of the operating program, and appropriate USEPA emission estimation methodology and emission factors, with supporting calculations.

2.4.12 Notifications

The Permittee shall notify the Illinois EPA within 30 days of deviations from applicable requirements for affected units that are

not addressed by the regular reporting required below. These notifications shall include the information specified by General Condition 3.5.

2.4.13 Reporting

The Permittee shall submit quarterly reports to the Illinois EPA for affected units stating the following: the dates any necessary control measures were not implemented; a listing of those control measures; the reasons that the control measures were not implemented; and any corrective actions taken. This information includes, but is not limited to, those dates when controls were not implemented based on a belief that implementation of such control measures would have been unreasonable given prevailing weather conditions. This report shall be submitted to the Illinois EPA no later than 45 calendar days from the end of each calendar quarter.

SECTION 3: GENERAL PERMIT CONDITIONS

CONDITION 3.1: STANDARD CONDITIONS

Standard conditions for issuance of construction permits, attached hereto and incorporated herein by reference, shall apply to this boiler addition project, unless superseded by other conditions in the permit. (SEE ALSO ATTACHMENT 3)

CONDITION 3.2: GENERAL REQUIREMENTS FOR EMISSION TESTING

a. i. If submittal of a test plan is required for emission testing required by this permit, the test plan shall be submitted to the Illinois EPA for review at least 60 days prior to the actual date of testing. This plan shall describe the specific procedures for testing and shall, at a minimum, include the following information:

A. The person(s) who will be performing sampling and analysis and their experience with similar tests.

B. The specific conditions, e.g., operating rate and control device operating conditions, under which testing shall be performed including a discussion of why these conditions will be representative and the means by which the operating parameters will be determined.

C. The specific determinations of emissions that are intended to be made, including sampling or monitoring locations. As part of this plan, the Permittee may set forth a strategy for performing emission testing in the normal load range of the boiler.

D. The test method(s) that will be used, with the specific analysis method if the method can be used with different analysis methods.

ii. As provided by 35 IAC 283.220(d), the Permittee need not submit a test plan for subsequent emissions testing that will be conducted in accordance with the procedures used for previous tests accepted by the Illinois EPA or the previous test plan submitted to and approved by the Illinois EPA, provided that the Permittee's notification for testing, as required below, contains the information specified by 35 IAC 283.220(d)(1)(A), (B) and (C).

b. i. The Permittee shall notify the Illinois EPA prior to performing emissions testing required by this permit to enable the Illinois EPA to observe the tests. Notification for the expected date of testing shall be submitted a minimum of 30 days* prior to the expected date, and identify the testing that will be performed. Notification of the actual date and expected time of testing shall be submitted a minimum of 5 working days* prior to the actual date of testing.

* For a particular test, the Illinois EPA may at its discretion accept shorter advance notification provided that it does not interfere with the Illinois EPA's ability to observe testing.

ii. This notification shall also identify the parties that will be performing testing and the set or sets of operating conditions under which testing will be performed.

c. The Permittee shall submit three copies of the Final Reports for emission testing required by this permit to the Illinois EPA within 30 days after the test results are compiled and finalized but not later than 90 days after the date of testing. At a minimum, the Final Report for testing shall contain:

i. General information, i.e., testing personnel and test dates;

ii. A summary of results;

iii. Description of test method(s), including a description of sampling points, sampling train, analysis equipment, and test schedule;

iv. The operating conditions of the emission unit and associated control devices during testing; and

v. Data and calculations, including copies of all raw data sheets and records of laboratory analysis, sample calculations, and data on equipment calibration.

CONDITION 3.3: REQUIREMENTS FOR RECORDS FOR DEVIATIONS

Except as specified in a particular provision of this permit or in a subsequent CAAPP Permit for the source, records for deviations from applicable permit requirements shall include at least the following information: the date, time and estimated duration of the event; a description of the event; the manner in which the event was identified, if not readily apparent; the probable cause for deviation, if known, including a description of any equipment malfunction/breakdown associated with the event; information on the magnitude of the deviation, including actual emissions or performance in terms of the applicable standard if measured or readily estimated; confirmation that standard procedures were followed or a description of any event-specific corrective actions taken; and a description of any preventative measures taken to prevent future occurrences, if appropriate.

CONDITION 3.4: RETENTION AND AVAILABILITY OF RECORDS

Except as specified in a particular provision of this permit or in a subsequent CAAPP Permit for the source, all records, including written procedures and logs, required by this permit shall be kept at a readily accessible location at the affected facility and be available for inspection

and copying by the Illinois EPA and shall be retained for at least five years.

CONDITION 3.5: NOTIFICATION AND REPORTING OF DEVIATIONS

Except as specified in a particular provision of this permit or in a subsequent CAAPP Permit for the source, notifications and reports for deviations from applicable permit requirements shall include at least the following information: the date and time of the event, a description of the event, information on the magnitude of the deviation, a description of the corrective measures taken, and a description of any preventative measures taken to prevent future occurrences.

CONDITION 3.6: GENERAL REQUIREMENTS FOR NOTIFICATION AND REPORTS

a. i. Unless otherwise specified in the particular provision of this permit, in a subsequent CAAPP Permit for the source, or in the written instructions distributed by the Illinois EPA for particular reports, reports and notifications shall be sent to the Illinois EPA - Air Compliance Section with a copy sent to the Illinois EPA - Air Regional Field Office.

ii. As of the date of issuance of this permit, the addresses of the office that should generally be utilized for the submittal of reports and notifications are as follows:

A. Illinois EPA - Air Compliance Section

Illinois Environmental Protection Agency
Bureau of Air
Compliance and Enforcement Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

B. Illinois EPA - Air Regional Field Office

Illinois Environmental Protection Agency
Division of Air Pollution Control
5415 North University
Peoria, Illinois 61614

C. USEPA Region 5 - Air Branch

USEPA (AE-17J)
Air and Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604

b. The Permittee shall submit Annual Emission Reports to the Illinois EPA in accordance with 35 IAC Part 254. For hazardous air pollutants, these reports shall include emissions information for at least the following pollutants: hydrogen chloride, hydrogen fluoride, mercury, arsenic, beryllium, cadmium, chromium, lead, manganese, and nickel.

ATTACHMENT 1: EMISSION LIMITATIONS

Table 1-A: Emission Limitations for the Affected Boiler

Pollutant	Pounds/Million Btu[a]	Pounds/Hour[b]	Tons/Year[c]
CO	0.120[d]	293, 3-Hour Average	1,281
PM Filterable[e]	0.012	29.3, 3-Hour Average	128
PM Total[f]	0.035	85.3, 3-Hour Average	374
Sulfuric Acid Mist	0.0050	12.2, 3-Hour Average	53
SO_2	0.20	490, 30-Day Average	2,135
NO_x	0.10	245, 30-Day Average	1,068
VOM	0.0036	8.80, 3-Hour Average	38.4
Fluorides[g]	---	0.60, 3-Hour Average	2.6
Lead	---	0.050, 3-Hour Average	0.22
Hydrogen Chloride	---	17.5, 3-Hour Average[h]	76.5
Mercury	---	0.00525, 3-Hour Average[h]	0.023

Notes:

a. Emission limitations expressed in pound/million Btu heat input are provided for informational purposes. They reflect requirements for CO, PM and sulfuric acid mist emissions in Condition 2.1.2(b), the requirement for VOM emissions in Condition 2.1.2(d)(ii)(B), and requirements for SO_2 and NO_x emissions in Condition 2.1.7(b).

b. Compliance with limitations expressed in pound/hour shall be based on 30-day rolling averages for NO_x and SO_2 and 3-hour block averages for other pollutants, except that compliance with the CO limitation shall be based on 24-hour block averages if a continuous emission monitoring system for CO is operated pursuant to Condition 2.1.9-3.

c. These limitations address all emissions from the boiler, including emissions that occur during periods of startup, shutdown and malfunction, as addressed by Condition 2.1.6.

d. This limitation does not apply for startup or shutdown of the affected boiler.

e. These limitations address filterable PM. All PM measured by USEPA Method 5 shall be considered filterable PM unless PM emissions are tested by USEPA Method 201 or 201A. These limitations do not address condensable particulate.

f. These PM limitations address both filterable and condensable particulate.

g. The limitations for fluorides are expressed in terms of hydrogen fluoride.

h. This limitation does not apply during periods of startup, shutdown and malfunction, as addressed by Condition 2.1.6.

Table 1-B: Limitations for PM Emissions from Material Handling Operations

Operation	Limitations	
	Pounds/Hour	Tons/Year
Coal Handling	---	4.42
Limestone Handling	---	0.16
Gypsum Handling	---	0.40
Ash Handling	0.559	2.45
Storage Piles[a]	---	4.22
Total	---	11.80

Notes

a. The limitation for storage piles addresses pile maintenance and wind erosion from the various storage piles.

Table 1-C: Alternative Emission Limitations[a] for the Affected Boiler For Various Pollutants Upon the Effectiveness of the Limits in Attachment 5.6

Pollutant	Emission Rate[b]	Alternative Limitations	
		Pounds/Hour[c]	Tons/Year[d]
PM Filterable	0.010 lb/mmBtu	24.4, 3-Hour Average	107
PM Total	0.020 lb/mmBtu	48.8, 3-Hour Average	214
Sulfuric Acid Mist	0.0040 lb/mmBtu	9.8, 3-Hour Average	42.7
SO_2	0.154 lb/mmBtu	377, 30-Day Average	1,644
NO_x	0.06 lb/mmBtu	147, 30-Day Average	641

Notes:

a. The purpose of the alternative emission limitations in this table is to show the reduction in the permitted emissions of the Affected Boiler that will accompany the effectiveness of the limitations in Attachment 5.6, as compared to the potential emissions of the Affected Boiler as set forth in Table 1-A. The establishment of the limits in this table does not affect other requirements in the permit or Attachment 5.6, which would require lower rates of emissions from the Affected Boiler, such as the requirement to achieve at least 99 percent control of SO_2 emissions exclusive of startup, shutdown and malfunction.

b. These emission rates are only provided for informational purposes, to explain the derivation of the alternative limitations that apply in pounds/hour and tons/year. For PM, the rates restate the numerical limits in Attachment 5.6, prior to any adjustments as also provided for by Attachment 5.6. For sulfuric acid mist, the rate reflects the limit in Attachment 5.6. For NO_x, the rate reflects the limit in Attachment 5.6, 0.06 lb/mmBtu, which applies for all operation of the boiler, including startup, shutdown and malfunction. Similarly, for SO_2, the rate is derived from the limit in Attachment 5.6, 98 percent control efficiency, which applies to all operation of the boiler, assuming a maximum sulfur content in the coal supply to the boiler that is 10 percent greater than that in the design coal supply.

b. The applicable hourly limitation is the product of the applicable emission rate and the rated heat input capacity or the electrical output of the boiler-unit, i.e., 2,440 million and 250 MW Btu/hour. Compliance with limitations expressed in pound/hour shall be based on 30-day rolling averages for NO_x and SO_2 and 3-hour block averages for other pollutants.

c. The annual limitation is generally the product of the applicable hourly limitation and continuous operation of the boiler. For mercury, the annual limitation is the product of the emission rate, the maximum hourly electrical output of the boiler-unit, and continuous operation. Compliance with these annual limitations shall be determined from a rolling total of monthly emission data, i.e., from the sum of emission data for a particular month and the preceding 11 months, for a total of 12 months of data.

ATTACMENT 2

Table 2-A Potential Emissions of the Project for PSD Pollutants (Tons/Year)

Unit	Pollutant							
	PM	CO	SO_2	NO_x	VOM	Sulfuric Acid Mist	Fluorides	Lead
Boiler	374	1282	2135	1068	38.4	53	2.6	0.22
Material Handling	11.65	---	---	---	---	---	---	---
Cooling Tower	9.64	---	---	---	---	---	---	---
Roadways	7.7	---	---	---	---	---	---	---
Emergency Engines	0.05	0.38	0.04	2.0	0.05	---	---	---
Total	403	1282	2135	1070	38.5	53	2.6	0.22

Table 2-B Summary of Net Changes in Emissions for PSD Pollutants (Tons/Year)

Pollutant	Project Emissions	Contemporaneous Emissions Increases and Decreases			Net Change in Emissions	Major Modification Threshold
		Decrease: Shut Down of Lakeside Units[a]	Increases:			
			New Diesel Engines[b]	Proposed Spray Dry System[c]		
NO_x	1070	1,262	39.4	14.0	- 138	40
SO_2	2135	7,741	0.8	0.1	- 5605	40
CO	1282	32.1	4.7	21.1	1276	100
VOM	38	7.03	1.0	11.6	43.6	40
PM/PM_{10}[d]	157/403	6.36	1.1	13.7	165/411	25/15
Sulf. Acid Mist	53	32.2	-	-	20.8	7
Fluorides[e]	2.6	[f]	-	-	2.6	3.0
Lead	0.22	[f]	-	-	0.22	0.60

Notes:

a. The emission decrease reflects actual emissions from shutdown of the existing Lakeside Units (Units 7 and 8), as addressed by this permit.

b. Permitted emissions of three diesel engines, as installed pursuant to Construction Permit 01070019.

c. Permitted emissions of the proposed spray dryer system, as currently requested by CWLP in Construction Permit Application 05030023.

d. Net change evaluated in terms of filterable PM/PM_{10}

e. Emissions of fluorides in terms of hydrogen fluorides.

f. CWLP did not quantify decreases in emissions of fluorides or lead from the shutdown of the Lakeside Units.

ATTACHMENT 3: STANDARD PERMIT CONDITIONS

STANDARD CONDITIONS FOR CONSTRUCTION/DEVELOPMENT PERMITS ISSUED BY THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

The Illinois Environmental Protection Act (Illinois Revised Statutes, Chapter 111-1/2, Section 1039) authorizes the Environmental Protection Agency to impose conditions on permits, which it issues.

The following conditions are applicable unless superseded by special condition(s).

1. Unless this permit has been extended or it has been voided by a newly issued permit, this permit will expire one year from the date of issuance, unless a continuous program of construction or development on this project has started by such time.

2. The construction or development covered by this permit shall be done in compliance with applicable provisions of the Illinois Environmental Protection Act and Regulations adopted by the Illinois Pollution Control Board.

3. There shall be no deviations from the approved plans and specifications unless a written request for modification, along with plans and specifications as required, shall have been submitted to the Illinois EPA and a supplemental written permit issued.

4. The Permittee shall allow any duly authorized agent of the Illinois EPA upon the presentation of credentials, at reasonable times:

   a. To enter the Permittee's property where actual or potential effluent, emission or noise sources are located or where any activity is to be conducted pursuant to this permit,

   b. To have access to and to copy any records required to be kept under the terms and conditions of this permit,

   c. To inspect, including during any hours of operation of equipment constructed or operated under this permit, such equipment and any equipment required to be kept, used, operated, calibrated and maintained under this permit,

   d. To obtain and remove samples of any discharge or emissions of pollutants, and

   e. To enter and utilize any photographic, recording, testing, monitoring or other equipment for the purpose of preserving, testing, monitoring, or recording any activity, discharge, or emission authorized by this permit.

5. The issuance of this permit:

   a. Shall not be considered as in any manner affecting the title of the premises upon which the permitted facilities are to be located,

   b. Does not release the Permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the proposed facilities.

   c. Does not release the Permittee from compliance with other applicable statutes and regulations of the United States, of the State of Illinois, or with applicable local laws, ordinances and regulations.

   d. Does not take into consideration or attest to the structural stability of any units or parts of the project, and

   e. In no manner implies or suggests that the Illinois EPA (or its officers, agents or employees) assumes any liability, directly or indirectly, for any loss due to damage, installation, maintenance, or operation of the proposed equipment or facility.

6a. Unless a joint construction/operation permit has been issued, a permit for operation shall be obtained from the Illinois EPA before the equipment covered by this permit is placed into operation.

b. For purposes of shakedown and testing, unless otherwise specified by a special permit condition, the equipment covered under this permit may be operated for a period not to exceed thirty (30) days.

7. The Illinois EPA may file a complaint with the Board for modification, suspension or revocation of a permit.

   a. Upon discovery that the permit application contained misrepresentations, misinformation or false statement or that all relevant facts were not disclosed, or

   b. Upon finding that any standard or special conditions have been violated, or

   c. Upon any violations of the Environmental Protection Act or any regulation effective thereunder as a result of the construction or development authorized by this permit.

ATTACHMENT 4:

DETERMINING THE SORBENT INJECTION RATE FOR
CONTROL OF MERCURY EMISSIONS FROM THE AFFECTED BOILER

1. Purpose

This attachment contains the requirements for the sorbent injection system for control of mercury emissions from the affected boiler if the boiler is subject to Condition 2.1.2(c)(i)(A) and the Permittee elects to comply with Permit Option B, i.e., use of a control system for mercury emissions. Among other matters, this attachment defines the process by which the applicable injection rate of sorbent for such system will be determined.

2. General Requirements

a. The sorbent injection system, including the selected sorbent(s) shall be designed, constructed and maintained in accordance with good air pollution control practices. For this purpose, sorbent(s) shall be used, such as treated activated carbon, that have been demonstrated to have high levels of effectiveness in similar boiler/control device applications (or pilot tests on the affected boiler). The system shall have ample capacity to handle and inject such sorbent(s), and the location, number and type of injection ports designed for effective distribution of sorbent in the flue gas. The Permittee shall submit a demonstration to the Illinois EPA showing that the proposed sorbent injection system meets these criteria, for review and approval by the Illinois EPA.

b. i. The sorbent injection system shall each be operated to inject sorbent at a rate, in lb/million Btu or lb/scf of flue gas, that is at least at the rate that has been determined to represent the maximum practicable degree of removal for mercury, as previously established pursuant to an evaluation of the effectiveness of the sorbent for control of mercury conducted in accordance with Condition 3 or 4, below. This rate shall be maintained while coal is being fired in the boiler, including periods of startup and shutdown of the boiler.

ii. Notwithstanding the above, for purposes of evaluating the performance of sorbent(s), the Permittee may operate without the sorbent injection system in service or at low rates of sorbent injection as necessary to (1) to prepare for the formal evaluation of a sorbent, i.e., flushing residual sorbent from the boiler and control train, and (2) determine the "performance curve", provided that the number and duration of such operation is minimized to the extent reasonably necessary for this purpose. (Refer to Paragraph 5(a), below, for the definition of the performance curve.) The Permittee may also conduct pilot tests to confirm

suitability of a potential sorbent prior to a detailed evaluation, with prior notification to the Illinois EPA describing such tests and the available data indicating the suitability of the sorbent material for effective control of mercury.

3. Initial Evaluation of the Effectiveness of Sorbent Injection and Establishment of the Optimum Sorbent Injection Rate

a. The Permittee shall perform an evaluation of the effectiveness of injecting sorbent(s) for control of mercury in accordance with a plan submitted to the Illinois EPA for review and comment.

i. The Permittee shall submit the initial plan to the Illinois EPA no later than 180 days after initial start-up of a boiler.

ii. The Permittee shall promptly begin this evaluation after the boiler demonstrates compliance with all applicable short-term emission limits as shown by emission testing and monitoring. At this time, the Permittee shall submit an update to the plan that describes its findings with respect to control of mercury emissions during the shakedown of the boiler, which highlights possible areas of interest for this evaluation.

iii. This evaluation shall be completed and a detailed written report submitted to the Illinois EPA within two years after the initial startup of the boiler. This report shall include proposed injection rate limit(s) for mercury emissions. (See Condition 3(d)(i), below.)

iv. This deadline may be extended by the Illinois EPA for an additional year if the Permittee submits an interim report (1) demonstrating the need for additional data to effectively evaluate sorbent injection and (2) includes an interim limit for mercury injection that provides effective control of mercury.

b. i. If the Permittee is conducting monitoring for mercury emissions with a continuous method, the plan shall provide for systematic review of mercury emissions as related to variation in operation of the boiler, within the normal range of boiler operation, including the effect of (1) boiler load and combustion settings, including excess oxygen, (2) operating data for the SCR system, including the level of uncontrolled NO_x before the SCR, as predicted from boiler operating data, (3) operating data for the scrubber, including pH of the scrubbant, and (4) operating data for the wet WESP. As an alternative to reliance on the measurements from a continuous monitoring system, the Permittee may also supplement its monitoring with semi-continuous monitoring, as provided below.

ii. If the Permittee is conducting monitoring for mercury emissions with a semi-continuous method, the sampling periods shall be of an appropriate duration to cover a representative selection of operation of the boiler.

c. In conjunction with such measurements of mercury emissions, the Permittee shall sample and analyze the fuel supply to the boiler so that representative data for the mercury content of the fuel supply is available that correlates with emission measurements.

d. i. Unless the Permittee elects to conduct a supplementary investigation, as provided below, the maximum practicable degree of removal shall be injection of sorbent at a rate that is twice the rate at the "transition point" from the performance curve. (Refer to Paragraph 5(b), below, for the definition of the transition point.) The sorbent injection system shall be operated at this rate.

ii. The Permittee may elect to conduct a supplemental investigation of the effectiveness of injection of sorbent(s) to determine whether effective control of mercury, as generally required, is achieved with lower (or higher) injection rates considering the operating rate or other relevant operating parameters of the boiler or control train, excluding periods of startup and shutdown of the boiler. For this purpose, the Permittee shall conduct additional measurements and develop additional performance curves for the control of mercury emissions for the boiler under such operating conditions. In the report for the evaluation, the Permittee shall explain why such operating conditions affect the control of mercury emissions, provide the criteria for identification of such operating conditions, and identify the rates at which the sorbent injection system must be operated during such conditions, determined as twice the rate at the "transition point" on the applicable performance curve.

4. Subsequent Evaluation of the Effectiveness of Sorbent Injection and Adjustment of the Optimum Sorbent Injection Rate

a. The Permittee shall repeat the evaluation described in Condition 3, above, in the following circumstances:

i. If the initial evaluation of sorbent injection does not demonstrate that 90 percent or more overall control of mercury will be achieved, a new evaluation shall be commenced two years after the initial evaluation was completed.

ii. If the Permittee undertakes significant changes to the mercury control system, e.g., use of a different sorbent or changes in the location or type of injection ports, at the conclusion of such changes.

iii. If the Permittee undertakes significant changes to other devices in the control train, e.g., use of a different catalyst in the SCR or changes in the chemistry of the scrubber which would generally act to reduce the effectiveness of those devices in controlling or facilitating the control of mercury emissions, at the conclusion of such changes.

iv. If requested by the Illinois EPA for purposes of periodic confirmation of the effectiveness of sorbent injection, which request shall not be made more than once every five years.

v. If the Permittee elects to perform such evaluation, provided, however that the Permittee shall explain why such an evaluation is being undertaken if it is less than two years after completion of the last evaluation.

b. For the purpose of subsequent evaluation, the plan shall be submitted to the Illinois EPA for review and approval at least 45 days before undertaking changes that trigger the need to perform such an evaluation and the evaluation shall be completed in one year, with opportunity for a 6-month extension.

c. As a subsequent evaluation reassesses the continuing operation of the boiler or addresses the future operation of the boiler, the results of the evaluation shall supersede the results of the preceding evaluation and thereafter govern the operation of the sorbent injection system. For example, if the subsequent evaluation was performed for a new sorbent material and the boiler continue to be operated with such sorbent, operation shall be governed by the results of the subsequent evaluation. If the new sorbent will not continue to be used, operation shall be governed by the results of the preceding evaluation for the sorbent material that will be used.

5. Definition of the Term "Performance Curve" As Related to Sorbent Injection for Control of Mercury Emissions

The "performance curve" is a graphical representation of the effectiveness of a particular sorbent in controlling mercury emissions, comparing the effectiveness of control with increasing rates of sorbent injection.

A performance curve for injection of a particular sorbent material is established by conducting a series of tests under representative operating conditions of the boiler to measure mercury emissions at different rates of sorbent injection (typically starting from zero sorbent to high rates of sorbent injection). For the purpose of presenting data, mercury emissions and sorbent injection rates are expressed in terms of the heat input to the boiler, in million or trillion Btu. This accounts for any differences in the heat input during each test.

ATTACHMENT 5

REQUIREMENTS PURSUANT TO AN AGREEMENT BETWEEN
CWLP (THE CITY OF SPRINGFIELD) AND THE SIERRA CLUB

1. Introduction

The City of Springfield (the Permittee) and the Sierra Club have entered into an agreement for the proposed Dallman 4 project.

2. Definitions

The following definitions shall apply to Attachments 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6:

a. "Dallman Unit 4 Online" means 180 days after required emissions testing for Dallman Unit 4 is performed and results are obtained indicating compliance with emissions limits.

b. "Environmental Initiatives Fund" means an internal CWLP account into which funds from the Wholesale Sales Environmental Set-aside will be placed to fund environmental initiatives.

c. "Native Load" means the amount of energy used to serve retail customers located in CWLP's service area.

d. "System" means, the following four coal-fired, electric utility steam generating Units:

- Dallman Generating Station in Springfield, Illinois - Unit 31 (also referred to as Dallman Unit 1);
- Dallman Generating Station in Springfield, Illinois - Unit 32 (also referred to as Dallman Unit 2);
- Dallman Generating Station in Springfield, Illinois - Unit 33 (also referred to as Dallman Unit 3);
- Dallman Generating Station in Springfield, Illinois - Unit 4.

e. "Wholesale Load" means all bulk power transfers to entities outside CWLP's service area.

ATTACHMENT 5.1:

ENERGY EFFICIENCY

1. Purpose

Energy efficiency and conservation measures are alternative measures for reducing the air pollution impacts associated with meeting the City's electrical needs. Accordingly, CWLP will expand its existing energy efficiency and demand side management programs to maximize energy conservation. CWLP will identify additional cost-effective, energy efficiency measures as discussed in this attachment.

2. Programs

CWLP will take the following actions:

- Increase advertising for CWLP energy efficiency and demand management programs including, but not limited to, its free home energy inspection services, heat pump program, and subsidized blower test service;
- Hire at least one employee with experience in commercial and industrial energy management to develop and implement commercial and industrial energy efficiency and demand management programs;
- Identify new programs and expand the services offered by the CWLP Energy Services office;
- Establish an internship program that allows one or more college students per semester for the next four years to obtain training through CWLP's Green Energy Program or the Energy Services Office; and
- Implement or expand at least three energy efficiency programs by the end of 2007.

4. Energy Efficiency Study

CWLP will complete an energy efficiency potential study. The purpose of the study will be to identify cost-effective energy efficiency and demand management programs in the CWLP service area. CWLP will spend up to $75,000 for the study. A Request for Proposal ("RFP") to conduct the study will be issued within 90 days of the issuance of an effective PSD permit for Dallman Unit 4. CWLP will select a qualified provider with the requisite experience. The study will be complete by June 30, 2007, or by such later date as agreed to by the Parties. The results of the study will be used in the development of additional energy efficiency and demand side management programs.

5. Funding

CWLP shall fund and allocate $400,000 annually for its energy efficiency and demand side management programs, beginning in 2007

through 2015, plus an additional amount equal to at least 50% of the revenue generated by the Wholesale Sales Environmental Set-aside, not to exceed an additional $1 million annually. CWLP shall spend all of the money allocated for energy efficiency and conservation under this section within 36 months of the money being allocated. CWLP may allocate additional monies to fund energy efficiency and demand side management as it deems necessary.

6. Energy Conservation

CWLP will implement energy conservation measures in Dallman Units 1 through 3. These projects will be initiated after the issuance of the Dallman Unit 4 construction permit. The anticipated completion date is the end of 2008.

7. Low Income Households and Senior Citizens

At least $150,000 of the funds available for energy efficiency annually will be dedicated to programs targeted to low-income households and senior citizens. These programs will include, but not be limited to:

i. Grants for HVAC efficiency measures and rebates;

ii. Lighting efficiency;

iii. Thermostat set back programs; and

iv. Redundant refrigerator rebate and removal

8. Community Participation

CWLP will provide for citizen input in its energy efficiency and demand side management programs, including expanding its existing website to include a section dedicated to updating residents on CWLP programs and opportunities for input. Specifically, CWLP will: 1) provide an opportunity for public review of the energy efficiency study RFP discussed above; 2) provide a 30 day public comment opportunity on the draft energy efficiency study; and 3) hold bi-monthly community briefing meetings starting 60 days after the issuance of the Dallman Unit 4 construction permit and continuing for 18 months. Thereafter, meetings will be held quarterly through 2015. The meetings will provide an opportunity for CWLP to update residents on its energy efficiency programs, its status implementing its emission reduction commitments, and to receive community feedback. CWLP will consider input received from citizens during these public meetings in developing and implementing energy efficiency and conservation programs.

ATTACHMENT 5.2:

COMMITMENT TO REDUCE CO_2 EMISSIONS FROM NATIVE LOAD PRODUCTION

1. Purpose

Measures to reduce carbon dioxide (CO_2) emissions from CWLP's System will mitigate the global warming impacts associated with Dallman Unit 4 and reduce other air pollution impacts associated with meeting the City's electricity demands. Accordingly, CWLP will reduce the CO_2 emission associated with its Native Load to 7% below 1990 CO_2 emissions levels by December 31, 2012 and remain below this level through December 31, 2015. The 1990 base CO_2 emissions level is 1,887,000 tons/year. 7% below 1,887,000 tons/year is 1,755,000 tons/year.

2. Method of Calculation

The following steps were used to calculate CO_2 emissions from the System. The same method shall be employed in the future to measure CWLP's progress in attaining its CO2 emission reductions targets.

1. CWLP averaged CEM heat input, SO_2, NO_x, and CO_2 data for 1996-1999 for each of the three CEMs: Dallman 3, Dallman 1 and 2, and Lakeside.) (1999 was the last year before the 31/32 scrubber was installed.).

2. CWLP gathered net generation data for 1990 through 2005 from plant production reports.

3. CWLP gathered heat input data from fuel burn from the plant production reports for 1996 through 2005.

4. CWLP calculated net heat rates in BTU/kWH for 1996-2005 by dividing heat input by net generation. The average net heat rates in BTU/kWH calculated were 10,937 for Dallman 3, 11,873 for Dallman 1 and 2, and 13,334 for Lakeside. Thus, Dallman 3 was 7.88% more efficient than Dallman 1-2 and 17.98% more efficient than Lakeside.

5. CWLP compared heat inputs from CEM data to heat inputs from the plant production reports based on fuel burned during the 1996-2005 period.

6. Heat inputs from CEMs were, on average, 19.5% high for Dallman 3, 8.9% high for Dallman 1 and 2, but only 5.0% high for Lakeside than actual fuel burn from plant production reports during the 1996-2005 period.

7. Since Lakeside's CEM was the most accurate, the average CO_2 emission rate for Lakeside of 1.44 ton/net MWH was presumed to be accurate and the Lakeside CEM CO_2 emissions data was used directly and not adjusted.

8. The CO_2 emissions for Dallman 1 and 2 and Dallman 3, however, were not used because of the high "CEM bias" stated in Item 6.

9. Instead, to account for actual efficiencies of the units calculated in Item 4, CO_2 rates were calculated for Dallman 1 and 2 and Dallman 3 by multiplying the units' heat rate ratio with Lakeside by the Lakeside CEM CO_2 rate of 1.44 ton/MWH. The CO_2 emission rates calculated in this manner were 1.28 ton/MWH for Dallman 1-2 and 1.18 ton/MWH for Dallman 3. Thus, the CO_2 rates compared well with the actual and relative efficiencies of the units.

10. The 1990 CO_2 emissions were then calculated by multiplying the actual net generation from each unit by the corresponding CO_2 emission rates for each unit from Item 9.

11. The amount of generation for native energy for each unit was determined by taking the ratio of native energy to total generation. The amount of generation for wholesale sales was determined by taking the ratio of wholesale sales to total generation.

12. In this way, 1990 CO_2 emissions were calculated to be 1,887 thousand tons for native energy and 166 thousand tons for wholesale sales. Total 1990 CO_2 emissions were thus 2,053 thousand tons.

Determination of Native Energy

CWLP's native energy use is determined by the following formula:

Native Energy = Net Generation + Purchases - Wholesale Sales

CWLP has revenue quality rotating kilowatthour meters on each of its generators and on its five tie lines. This makes for a very accurate determination of native energy. Native energy differs from actual retail sales since losses are included. CWLP's total losses are on the order of 5.3 percent.

3. Government Regulation

If, before December 31, 2015, the federal government and/or the State of Illinois promulgates a CO_2 reduction program that is equivalent to or more stringent than the native emissions target set forth in this attachment, CWLP's CO_2 reduction obligations under this attachment would cease, and CWLP would be obligated to adhere to the applicable regulatory requirements. Absent a federal or state requirement to reduce CO_2 emissions, CWLP's obligation to reduce CO_2 emissions shall end on December 31, 2015.

4. Remedies

In the event CWLP is unable to meet an interim CO_2 native emissions target of 1,950,000 tons by June 30, 2011, based on the prior twelve

months' emissions, the sole remedy shall be for CWLP to pay into the Environmental Initiatives Fund ("Fund") $3 per ton of CO_2 by which CWLP exceeds 1,950,000 tons. If, by December 31, 2012, CWLP has not met its CO_2 native emissions target of 1,755,000 for calendar year 2012, the sole remedy shall be for CWLP to pay into the Environmental Initiatives Fund $3 per ton of CO_2 by which CWLP exceeds 1,755,000 tons. In the event that CWLP has still not met its annual CO_2 native emissions target of 1,755,000 tons by December 31, 2013, CWLP shall pay into the Fund $4 per ton by which CWLP exceeds 1,755,000 tons of CO_2. In the event that CWLP has still not met its annual CO_2 native emissions target of 1,755,000 tons by December 31, 2014, CWLP shall pay into the Fund $4 per ton by which CWLP exceeds 1,755,000 tons of CO_2. In the event that CWLP has still not met its annual CO_2 native emissions target of 1,755,000 tons by December 31, 2015, CWLP shall pay into the Fund $4 per ton by which CWLP exceeds 1,755,000 tons of CO_2. Any monies remaining in the Fund as of December 31, 2015 shall be utilized by CWLP to further reduce CO_2 emissions and shall be spent by December 31, 2016. Any monies CWLP pays into the Fund pursuant to this paragraph will be used to achieve CO_2 reductions, and may include purchasing additional wind energy and funding additional energy efficiency measures.

5. Independent Consultation

If CWLP has failed to reduce CO_2 emissions limits to 1,755,000 tons by December 31, 2013, within 60 days of January 1, 2014, CWLP shall retain an independent expert, who, no later than June 1, 2014, shall assist CWLP, in consultation with the public, in determining the most effective way to use the monies paid into the Environmental Initiatives Fund to attain the CO_2 native emissions target of 1,755,000 tons as expeditiously as possible.

ATTACHMENT 5.3:

COMMITMENT TO PROMOTE RENEWABLE ENERGY

1. Purpose

Purchasing wind power is a cost-effective measure to mitigate the global warming and other air pollution impacts associated with the construction of Dallman 4 and the production of electricity for the City's customers. Accordingly, CWLP will purchase at least 120 MW of wind capacity at a reasonable price under a Power Purchase Agreement. A reasonable price is equal to the accepted market price for wind capacity.

2. Request for Proposal

CWLP will issue a Request for Proposal ("RFP") for the acquisition of a minimum of 120 MW of wind capacity within 15 days of the issuance of this permit. The Power Purchase Agreement ("PPA") shall be for a term of not less than ten years. If a proposal for the procurement of at least 120 MW of wind capacity is rejected, CWLP will issue another RFP within 60 days of rejecting the original proposal(s). If an executed contract between CWLP and a wind generator cannot be performed shortly thereafter, CWLP will issue a new RFP within 60 days of the notice of breach or non-performance.

3. Alternative Procurement

After CWLP has issued two RFPs unsuccessfully, CWLP shall enter into a contract to build a minimum of 120 MW of wind capacity or have purchased 120 MW of wind turbines no later than June 1, 2010 and shall be receiving wind power from at least 120 MW of installed wind capacity no later than December 1, 2011. If CWLP is able to obtain wind capacity through a power purchase agreement before June 1, 2010 (for at least ten years), CWLP has no obligation to build or purchase turbines to provide its own wind capacity.

4. Additional Increments

CWLP will establish a green-pricing program that offers its retail customers the opportunity to buy incremental amounts of wind energy to meet their electrical needs. If CWLP sells 40 MW of wind energy to its retail customers through a green-pricing program, CWLP will purchase an additional increment of 20 MW wind capacity. Thereafter, for each additional 20 MW of wind energy CWLP sells to its retail customers through a green-pricing program CWLP will purchase an additional increment of 20 MW wind capacity.

5. Resale

CWLP may offer for resale wind capacity to other wholesale entities. At all times CWLP will maintain at least 100 MW of wind capacity for its retail customers.

6. Green Energy Program

CWLP will commence a Green Energy Program within 6 months after receipt of a final and effective PSD permit for Dallman Unit 4. CWLP will retain one or two full-time employees for this program. This program may include the following items:

i. Marketing to government institutions to use renewable energy.

ii. Marketing renewable energy to CWLP's residential customers, including providing the opportunity for customers to purchase either a portion or all of their generation needs with renewable energy at cost.

iii. Marketing renewable energy to CWLP's commercial electric customers, including a marketing feature they can display and utilize in their public relations and advertising efforts.

iv. Expanding educational opportunities through the green power office and offering green energy credit certificates for sale to customers.

ATTACHMENT 5.4:

WHOLESALE SALES: PERFORMANCE RESTRICTIONS AND ENVIRONMENTAL SET-ASIDE

1. Purpose

CWLP supplies energy both to its own local customers and to purchasers of energy outside of CWLP's service area. The energy used to provide electricity to the customers in CWLP's service area is referred to as Native Load. Energy sold as bulk power transfers outside of CWLP's service area is referred to as Wholesale Load. CWLP recognizes the need to mitigate the carbon dioxide and other criteria pollutant emissions created as a result of the generation of Wholesale Load. To this end, CWLP agrees to curtail its production of Wholesale Load. In addition, CWLP will mitigate the carbon dioxide and criteria pollutant emissions from its Wholesale Load production by dedicating funds to demand-side energy efficiency and conservation efforts directed at customers in its service area based on the amount of carbon dioxide generated by producing Wholesale Load.

2. Production Limitations.

CWLP will limit the use of Dallman Units 1 through 3 such that the units will not operate at their maximum capability (also referred to as emergency load levels) 99% of the time, restricting the use of the units to the following levels:

i. Dallman 3 - 170 MW net (4.12% reduction from full/emergency load levels)

ii. Dallman 2 - 70 MW net (11.43% reduction from full/emergency load levels)

iii. Dallman 1 - 70 MW net (11.43% reduction from full/emergency load levels).

3. Reservation of Right

CWLP may operate Dallman Units 1-3 at a higher capacity for performance and testing related to regulatory compliance as required and in emergency situations where it is called upon to generate additional power by MISO or other authority charged with responsibility for the security of the bulk power system to meet regulatory requirements or to fulfill obligations related to power system reliability.

4. Environmental Initiatives Fund

CWLP will create and maintain a segregated account, referred to as the Environmental Initiatives Fund, into which CWLP will deposit monies dedicated to energy efficiency, conservation, purchase of renewable energy, and other expenses associated with reducing or mitigating the environmental impacts associated with the production of energy from coal.

5. Wholesale Sales Environmental Set-Aside

Beginning after Dallman Unit 4 Online, CWLP will dedicate funds at a rate of $4.80 per ton of CO_2 emitted due to the production of energy for sale as wholesale energy and deposit such funds on an ongoing basis into the Environmental Initiatives Fund. CWLP will use at least 50% of the revenue generated by the Wholesale Sales Environmental Set-aside, not to exceed an additional $1 million annually, to fund demand-side energy efficiency and conservation efforts directed at CWLP's customers within its service area. The remaining revenue generated from the Wholesale Sales Environmental Set-aside may be used for the same purposes or for the purchase of wind and other renewable energy sources (including solar), equipment modification, and other expenses associated with increasing the efficiency or otherwise reducing emissions associated with the production of energy from Dallman Units 1 through 4.

ATTACHMENT 5.5:

EMISSIONS LIMITATIONS FOR DALLMAN UNITS 1 THROUGH 4: NO_x, SO_2, AND MERCURY

1. Purpose

On a System basis, CWLP will adhere to emissions limits for NO_x, SO_2, and Mercury as specified in this Attachment. The NO_x, SO_2, and mercury emissions limits applicable to the System are based on a rolling twelve-month average.

2. NO_x

The System emissions limit for NO_x will be 0.12 lb/million Btu between Dallman Unit 4 Online and December 31, 2012, and 0.07 lb/million Btu beginning January 1, 2013.

3. SO_2

a. General

The System emissions limit for SO_2 will be 0.24 lb/million Btu between Dallman Unit 4 Online and December 31, 2012 and 0.1 lb/million Btu beginning January 1, 2013.

b. Independent Evaluation

The System limits for SO_2 apply at all times, unless during the period between Dallman Unit 4 Online and December 31, 2010, CWLP finds that meeting the above SO_2 System emission limits requires measures on the Dallman Unit 3 scrubber beyond those recommended by the manufacturer and according to standard industry practice. If CWLP makes such a determination, CWLP and the Sierra Club will select an independent expert to evaluate all the units. The expert's evaluation will be for the purpose of determining the lowest SO_2 emission level that is practical and feasible for the Dallman 1 through 4 scrubbers. The independent expert will be agreed upon by both parties. CWLP will submit the names and qualifications of three candidates, and the parties will confer and choose the expert. If the independent expert determines that Dallman Units 1 through 4 cannot operate at a level that allows the System to meet the above SO_2 System emissions limits because of the performance of Dallman Unit 3, the expert will then determine the maximum achievable reduction level at which it is feasible for Dallman Unit 3 to operate year-round and CWLP will operate that scrubber at that level. If the independent expert determines that the Dallman Unit 3 is interfering with the System meeting the above-referenced System emissions limits, CWLP agrees to purchase and/or retire SO_2 credits equal to the difference between the System limits and the Dallman Unit 3 performance. If the independent expert agrees that the SO_2 performance for Dallman Unit 3 does not allow the System to meet the above-referenced emissions limits, the emissions from Dallman Units 1, 2, and 4

will be averaged, and will, as a group, perform at the above System limits for SO_2.

4. Mercury

a. Limit

In addition to other requirements regulating mercury emissions in the permit, on a 12-month rolling average basis beginning with Dallman Unit 4 Online, the emissions limit for mercury averaged across Dallman Units 1 through 4 shall be 0.008 lbs/GWh or 90% reduction of the mercury in the coal.

b. Prohibition on Sale of Mercury Credits

If a trading program for mercury is established, CWLP shall not sell any mercury credits generated by its mercury reduction.

ATTACHMENT 5.6:

ALTERNATIVE EMISSIONS LIMITS AND REQUIREMENTS FOR NEW DALLMAN UNIT 4 (THE AFFECTED BOILER)

The Permittee has voluntarily accepted the following emission limits and requirements for the affected boiler pursuant to an agreement with the Sierra Club.

1. Applicable Emissions Limits and Related Provisions for the Affected Boiler

   a. Mercury

      On a 12-month rolling average basis, 0.008 lbs/GWh or 90% reduction from input mercury.

   b. Total Particulate Matter (Total PM)

      i. 0.020 lb/million Btu on a three-hour block average.

      ii. The limit for total PM may be lowered (no lower than 0.018 lb/million Btu) if the Illinois EPA, after considering the results of any evaluation performed by the Permittee, finds that the affected boiler can and should be able to consistently comply with such limits without unreasonable consequences.

   c. Filterable Particulate Matter (Filterable PM)

      0.010 lb/million Btu on a three-hour block average, provided, however, that if the affected boiler fails to comply with this emissions limit despite using all reasonable efforts during the first twenty-four months of operation post the affected boiler online, the Permittee shall petition Illinois EPA for a higher limit, but no higher than 0.012 lb/million Btu on a three-hour block average.

   d. Sulfuric Acid Mist

      0.004 lb/million Btu on a three-hour block average.

   e. Opacity

      10 percent.

   f. Nitrogen Oxides (NO_x)

      i. 0.05 lb/million Btu, on a 30-day rolling average, exclusive of startup, shutdown, and malfunction.*

      ii. 0.06 lb/million Btu on a 30-day rolling average, inclusive of startup, shutdown, and malfunction.*

g. Sulfur Dioxide (SO_2)

The following minimum removal efficiencies for emissions of SO_2, with removal efficiency measured across the scrubber:

i. 99 percent removal on a 30-day rolling average, exclusive of startup, shutdown, and malfunction.*

ii. 98 percent removal on a 30-day rolling average, inclusive of startup, shutdown, and malfunction.*

* The terms startup, shutdown, and malfunction shall have the same meaning as those terms are used elsewhere in the permit.

2. Requirement for Shutdown of the Lakeside Units

Upon receipt of results indicating that the affected boiler complies with the permitted emission limits, Lakeside Units 7 and 8 (the Lakeside Generating Station) will be shut down.

3. Prohibition on Sale of Mercury Credits

If a trading program for mercury is established, the Permittee shall not sell any mercury credits generated by its mercury reduction.

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