

217/782-2113

"REVISED"
TITLE V - CLEAN AIR ACT PERMIT PROGRAM (CAAPP) PERMIT
and
TITLE I PERMIT¹

PERMITTEE

Exelon Generation Company, LLC
c/o Southeast Chicago Energy Project
Attn: Robert M. Matty, Jr.
300 Exelon Way
Kennett Square, Pennsylvania 19348

Application No.: 03050025

I.D. No.: 031600GKE

Applicant's Designation:

Date Received: May 9, 2003

Operation of: Electric Generation

Date Issued: November 17, 2003

Expiration Date²: November 17, 2008

Source Location: 3141 East 96th Street, Chicago, Cook County, Illinois 60617-5474

Responsible Official: David L. Stewart, General Manager

This permit is hereby granted to the above-designated Permittee to OPERATE an electric power generation plant, pursuant to the above referenced permit application. This permit is subject to the conditions contained herein.

Revision Date Received: February 11, 2004

Revision Date Issued: August 25, 2005

Purpose of Revision: Significant Modification

This significant modification includes changes as identified in the Attachment 4 of this permit.

The current federal Phase II Acid Rain Permit issued to Southeast Chicago Energy by the Illinois EPA is incorporated into this CAAPP permit (See Attachment 3).

If you have any questions concerning this permit, please contact Manish Patel at 217/782-2113.

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

DES:MNP:jar

cc: Illinois EPA, FOS, Region 1

¹ This permit may contain terms and conditions which address the applicability, and compliance if determined applicable, of Title I of the CAA and regulations promulgated thereunder, including 40 CFR 52.21 - federal PSD and 35 IAC Part 203 - Major Stationary Sources Construction and Modification. Any such terms and conditions are identified within this permit.

² Except as provided in Condition 8.7 of this permit.

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1.0 SOURCE IDENTIFICATION

1.1 Source

Southeast Chicago Energy Project
3141 East 96th Street
Chicago, Illinois 60617-5474
610/765-5579

I.D. No.: 031600GKE
Acid Rain Permit ORIS Code No.: 55281

Standard Industrial Classification: 4911, Electric Generation

1.2 Owner/Parent Company

Exelon Generation Company, LLC
300 Exelon Way
Kennett Square, Pennsylvania 19348

1.3 Operator

Exelon Generation Company, LLC
300 Exelon Way
Kennett Square, Pennsylvania 19348

Robert M. Matty, Jr.
610/765-5514

1.4 General Source Description

Southeast Chicago Energy Project is located at 3141 East 96th Street, Chicago. The source utilizes eight natural gas fired turbines to generate electricity. In addition, the turbines control NOx with dry low NOx combustors.

2.0 LIST OF ABBREVIATIONS/ACRONYMS USED IN THIS PERMIT

ACMA	Alternative Compliance Market Account
Act	Illinois Environmental Protection Act [415 ILCS 5/1 et seq.]
AP-42	Compilation of Air Pollutant Emission Factors, Volume 1, Stationary Point and Other Sources (and Supplements A through F), USEPA, Office of Air Quality Planning and Standards, Research Triangle Park, NC 27711
ATU	Allotment Trading Unit
BAT	Best Available Technology
Btu	British thermal unit
CAA	Clean Air Act [42 U.S.C. Section 7401 et seq.]
CAAPP	Clean Air Act Permit Program
CAM	Compliance Assurance Monitoring
CFR	Code of Federal Regulations
ERMS	Emissions Reduction Market System
HAP	Hazardous Air Pollutant
hr	hour
IAC	Illinois Administrative Code
I.D. No.	Identification Number of Source, assigned by Illinois EPA
ILCS	Illinois Compiled Statutes
Illinois EPA	Illinois Environmental Protection Agency
kW	kilowatts
LAER	Lowest Achievable Emission Rate
lb	pound
MACT	Maximum Achievable Control Technology
mmBtu	Million British thermal units
NESHAP	National Emission Standards for Hazardous Air Pollutants
NOx	Nitrogen Oxides
NSPS	New Source Performance Standards
PM	Particulate Matter
PM ₁₀	Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 microns as measured by applicable test or monitoring methods
ppm	parts per million
PSD	Prevention of Significant Deterioration
RMP	Risk Management Plan
SO ₂	Sulfur Dioxide
T1	Title I - identifies Title I conditions that have been carried over from an existing permit
T1N	Title I New - identifies Title I conditions that are being established in this permit
T1R	Title I Revised - identifies Title I conditions that have been carried over from an existing permit and subsequently revised in this permit
USEPA	United States Environmental Protection Agency
VOM	Volatile Organic Material

3.0 INSIGNIFICANT ACTIVITIES

3.1 Identification of Insignificant Activities

The following activities at the source constitute insignificant activities as specified in 35 IAC 201.210:

- 3.1.1 Activities determined by the Illinois EPA to be insignificant activities, pursuant to 35 IAC 201.210(a) (1) and 201.211, as follows:

Parts Cleaner

- 3.1.2 Activities that are insignificant activities based upon maximum emissions, pursuant to 35 IAC 201.210(a) (2) or (a) (3), as follows:

None

- 3.1.3 Activities that are insignificant activities based upon their type or character, pursuant to 35 IAC 201.210(a) (4) through (18), as follows:

Direct combustion units designed and used for comfort heating purposes and fuel combustion emission units as follows: (A) Units with a rated heat input capacity of less than 2.5 mmBtu/hr that fire only natural gas, propane, or liquefied petroleum gas; (B) Units with a rated heat input capacity of less than 1.0 mmBtu/hr that fire only oil or oil in combination with only natural gas, propane, or liquefied petroleum gas; and (C) Units with a rated heat input capacity of less than 200,000 Btu/hr which never burn refuse, or treated or chemically contaminated wood [35 IAC 201.210(a) (4)].

Gas turbines and stationary reciprocating internal combustion engines of less than 112 kW (150 horsepower) power output [35 IAC 201.210(a) (15)].

Gas turbines and stationary reciprocating internal combustion engines of between 112 kW and 1,118 kW (150 and 1,500 horsepower) power output that are emergency or standby units [35 IAC 201.210(a) (16)].

- 3.1.4 Activities that are considered insignificant activities pursuant to 35 IAC 201.210(b).

3.2 Compliance with Applicable Requirements

Insignificant activities are subject to applicable requirements notwithstanding status as insignificant activities. In particular, in addition to regulations of general applicability, such as 35 IAC 212.301 and 212.123 (Condition 5.2.2), the Permittee shall comply with the following requirements, as applicable:

- 3.2.1 For each cold cleaning degreaser, the Permittee shall comply with the applicable equipment and operating requirements of 35 IAC 218.182.
- 3.2.2 For each particulate matter process emission unit, the Permittee shall comply with the applicable particulate matter emission limit of 35 IAC 212.321 or 212.322. For example, the particulate matter emissions from a process emission unit shall not exceed 0.55 pounds per hour if the emission unit's process weight rate is 100 pounds per hour or less, pursuant to 35 IAC 266.110.
- 3.2.3 For each organic material emission unit that uses organic material, e.g., a mixer or printing line, the Permittee shall comply with the applicable VOM emission limit of 35 IAC 218.182, which requires that organic material emissions not exceed 8.0 pounds per hour or do not qualify as photochemically reactive material as defined in 35 IAC 211.4690.

3.3 Addition of Insignificant Activities

- 3.3.1 The Permittee is not required to notify the Illinois EPA of additional insignificant activities present at the source of a type that is identified in Condition 3.1, until the renewal application for this permit is submitted, pursuant to 35 IAC 201.212(a).
- 3.3.2 The Permittee must notify the Illinois EPA of any proposed addition of a new insignificant activity of a type addressed by 35 IAC 201.210(a) and 201.211 other than those identified in Condition 3.1, pursuant to Section 39.5(12)(b) of the Act.
- 3.3.3 The Permittee is not required to notify the Illinois EPA of additional insignificant activities present at the source of a type identified in 35 IAC 201.210(b).

4.0 SIGNIFICANT EMISSION UNITS AT THIS SOURCE

Emission Unit	Description	Emission Control Equipment
CTG 5 - 12	Eight 44 MW Natural Gas Fired Turbines (467 mmBtu/hr) (Oct 2001)	Dry Low NOx Combustors
EDG A, EDG B, and EDG C	Three Stationary Diesel Engine Generators Nominal 2,179 KW (2003)	None

5.0 OVERALL SOURCE CONDITIONS

5.1 Source Description

- 5.1.1 This permit is issued based on the source requiring a CAAPP permit as a major source of NO_x, CO, and PM emissions.
- 5.1.2 This permit is issued based on the source not being a major source of HAPs.
- 5.1.3 This permit is issued based on the source requiring a CAAPP permit as an "affected source" for the purposes of Acid Deposition Control, Title IV of the Clean Air Act.

5.2 Applicable Regulations

- 5.2.1 Specific emission units at this source are subject to particular regulations as set forth in Section 7 (Unit-Specific Conditions) of this permit.
- 5.2.2 In addition, emission units at this source are subject to the following regulations of general applicability:

- a. No person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally overhead at a point beyond the property line of the source unless the wind speed is greater than 40.2 kilometers per hour (25 miles per hour), pursuant to 35 IAC 212.301 and 212.314.

Compliance with this requirement is considered to be assured by the inherent nature of operations at this source, as demonstrated by historical operation.

- b. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit other than those emission units subject to the requirements of 35 IAC 212.122, pursuant to 35 IAC 212.123(a), except as allowed by 35 IAC 212.123(b) and 212.124.

5.2.3 Fugitive Particulate Matter Operating Program

- a. This source shall be operated under the provisions of an operating program prepared by the Permittee and submitted to the Illinois EPA for its review. Such operating program shall be designed to significantly reduce fugitive particulate matter emissions [35 IAC 212.309(a)].

- b. The operating program shall be amended from time to time by the Permittee so that the operating program is current. Such amendments shall be consistent with the requirements set forth by this Condition and shall be submitted to the Illinois EPA [35 IAC 212.312].
- c. All normal traffic pattern roads and parking facilities located at this source shall be paved or treated with water, oils, or chemical dust suppressants. All paved areas shall be cleaned on a regular basis. All areas treated with water, oils, or chemical dust suppressants shall have the treatment applied on a regular basis, as needed, in accordance with the operating program [35 IAC 212.306].

5.2.4 Ozone Depleting Substances

The Permittee shall comply with the standards for recycling and emissions reduction of ozone depleting substances pursuant to 40 CFR Part 82, Subpart F, except as provided for motor vehicle air conditioners in Subpart B of 40 CFR Part 82:

- a. Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.
- b. Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.
- c. Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

5.2.5 Risk Management Plan

Should this stationary source pursuant to 40 CFR 68.215(a)(2)(i) and (ii), as defined in 40 CFR 68.3, become subject to the federal rules for Chemical Accident Prevention in 40 CFR Part 68, then the owner or operator shall submit:

- a. A compliance schedule for meeting the requirements of 40 CFR Part 68 by the date provided in 40 CFR 68.10(a); or
- b. A certification statement that the source is in compliance with all applicable requirements of 40 CFR Part 68, including the registration and submission of the RMP, as part of the annual compliance certification required by Condition 9.8.

- 5.2.6 a. Should this source become subject to a regulation under 40 CFR Parts 60, 61, or 63, or 35 IAC Subtitle B after the date issued of this permit, then the owner or operator shall, in accordance with the applicable regulation(s), comply with the applicable requirements by the date(s) specified and shall certify compliance with the applicable requirements of such regulation(s) as part of the annual compliance certification, as required by Condition 9.8.
- b. No later than upon the submittal for renewal of this permit, the owner or operator shall submit, as part of an application, the necessary information to address either the non-applicability of, or demonstrate compliance with all applicable regulation under 40 CFR Parts 60, 61, or 63, or 35 IAC Subtitle B that was promulgated after the date issued of this permit.
- c. This stationary source will be subject to 40 CFR Part 63 when such rule becomes final and effective. The Permittee shall comply with the applicable requirements of such regulation by the date(s) specified in such regulation and shall certify compliance with the applicable requirements of such regulation as part of the annual compliance certification required by Condition 9.8 beginning in the year that compliance is required under a final and effective rule.

5.2.7 Episode Action Plan

- a. Pursuant to 35 IAC 244.141, 244.142, and 244.143, the Permittee shall maintain at the source and have on file with the Illinois EPA and City of Chicago, Department of Environmental Control, a written episode action plan (plan) for reducing the levels of emissions during yellow alerts, red alerts, and emergencies, consistent with safe operating procedures. The plan shall contain the information specified in 35 IAC 244.144.
- b. Pursuant to 35 IAC 244.108, the Permittee shall immediately implement the appropriate steps described in this plan should an air pollution alert or emergency be declared by the Director of the Illinois EPA or his or her designated representative.
- c. Pursuant to 35 IAC 244.143, if an operational change occurs at the source which invalidates the plan, a revised plan shall be submitted to the Illinois EPA and the Chicago Department of Environmental Control for review within 30 days of the change, pursuant to 35 IAC 244.143(d). Such plans shall be further revised if disapproved by the Illinois EPA.

- d. A copy of the original plan and any subsequent revisions shall also be sent to the Chicago Department of Environmental Control.

5.2.8 PM₁₀ Contingency Measure Plan

- a. If the actual annual emissions of PM₁₀ from the source are 15 tons or more in any calendar year, the Permittee shall prepare a Contingency Measure Plan reflecting the PM₁₀ emission reductions as set forth in 35 IAC 212.701 and 212.703 and submit such plan to the Illinois EPA within 90 days, pursuant to 35 IAC 212.700 and 212.701.
- b. Pursuant to 35 IAC 212.701, once such plan is prepared, it shall become a federally enforceable condition of this permit. Once a plan has been approved and been formally incorporated into this permit by the Illinois EPA, subsequent requests by the Permittee to revise the plan shall be processed as a request for revision or re-issuance of this permit.
- c. Pursuant to 35 IAC 212.704, if an exceedance of the 24-hour ambient air quality standard for PM₁₀ is monitored, the Permittee shall implement applicable provisions of the plan in accordance with 35 IAC 212.704 or 212.705.

Note: As of calendar year 2004, the Permittee was not required to prepare a PM₁₀ Contingency Measure Plan because the total actual emissions of PM₁₀ from the source, including filterable and condensable particulate and fugitive particulate, were less than 15 tons. In particular, the Permittee estimated that PM₁₀ emissions were less than 3 tons per year since the facility began operation in year 2002.

5.2.9 CAM Plan

See Conditions 7.1.4 and 7.2.4.

5.3 Non-Applicability of Regulations of Concern

None

5.4 Source-Wide Operational and Production Limits and Work Practices

In addition to the source-wide requirements in the Standard Permit Conditions in Section 9, the Permittee shall fulfill the following source-wide operational and production limitations and/or work practice requirements:

None

5.5 Source-Wide Emission Limitations

5.5.1 Permitted Emissions for Fees

The annual emissions from the source, not considering insignificant activities as addressed by Section 3.0 of this permit, shall not exceed the following limitations. The overall source emissions shall be determined by adding emissions from all emission units. Compliance with these limits shall be determined on a calendar year basis. These limitations (Condition 5.5.1) are set for the purpose of establishing fees and are not federally enforceable.

Permitted Emissions of Regulated Pollutants

Pollutant	Tons/Year
Volatile Organic Material (VOM)	18.0
Sulfur Dioxide (SO ₂)	13.1
Particulate Matter (PM)	110.5
Nitrogen Oxides (NO _x)	245.8
HAP, not included in VOM or PM	---
Total	387.4

5.5.2 Emissions of Hazardous Air Pollutants

This permit is issued based on the emissions of HAPs as listed in Section 112(b) of the CAA not being equal to or exceeding 10 tons per year of a single HAP or 25 tons per year of any combination of such HAPs, so that this source is considered a minor source for HAPs.

5.5.3 Other Source-Wide Emission Limitations

The emissions from the source, considering insignificant activities, shall not equal or exceed the levels at which the source would be considered a major source of emissions, i.e. 250 tons/year for SO₂, NO_x and CO, 100 tons/year for PM₁₀, 25 tons/year for VOM and total HAPs, and 10 tons/year for any individual HAP. This limitation is set pursuant to the federal rules for Prevention of Significant Deterioration (PSD), 40 CFR 52.21, Illinois' rules for Major Stationary Sources Construction and Modification, 35 IAC Part 203 and National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 CFR Part 63, to ensure that the source is not a major source for purposes of these rules.

Note: There are also unit specific emission limitations set forth in Section 7 of this permit pursuant to these rules.

5.6 General Recordkeeping Requirements

5.6.1 Emission Records

- a. The Permittee shall maintain records of the following items for the source to demonstrate compliance with Condition 5.5.1, pursuant to Section 39.5(7)(b) of the Act:

Total annual emissions on a calendar year basis for the emission units covered by Section 7 (Unit Specific Conditions) of this permit.

- b. The Permittee shall maintain records of the operation and emissions of insignificant activities, as necessary to demonstrate compliance with Condition 5.5.3.

5.6.2 Records for Operating Scenarios

N/A

5.6.3 Retention and Availability of Records

- a. All records and logs required by this permit shall be retained for at least five years from the date of entry (unless a longer retention period is specified by the particular recordkeeping provision herein), shall be kept at a location at the source that is readily accessible to the Illinois EPA or USEPA, and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request.
- b. The Permittee shall retrieve and print, on paper during normal source office hours, any records retained in an electronic format (e.g., computer) in response to an Illinois EPA or USEPA request for records during the course of a source inspection.

5.7 General Reporting Requirements

5.7.1 General Source-Wide Reporting Requirements

- a. The Permittee shall promptly notify the Illinois EPA, Compliance Section of deviations of the source with the requirements in Section 5 of this permit as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken.

i. For deviations from requirements of applicable regulation where such regulations address reporting of deviations, as specified in such regulations.

ii. For other deviations, within 30 days.

5.7.2 Annual Emissions Report

The annual emissions report required pursuant to Condition 9.7 shall contain emissions information for the previous calendar year.

5.8 General Operational Flexibility/Anticipated Operating Scenarios

N/A

5.9 General Compliance Procedures

5.9.1 General Procedures for Calculating Emissions

Compliance with the source-wide emission limits specified in Condition 5.5 shall be based on the recordkeeping and reporting requirements of Conditions 5.6 and 5.7, and Compliance Procedures in Section 7 (Unit Specific Conditions) of this permit.

6.0 EMISSIONS CONTROL PROGRAMS

6.1 NOx Trading Program

6.1.1 Description of NOx Trading Program

The NOx Trading Program is a regional "cap and trade" market system for large sources of NOx emissions in the eastern United States, including Illinois. It is designed to reduce and maintain NOx emissions from the emission units covered by the program within a budget to help contribute to attainment and maintenance of the ozone ambient air quality standard in the multi-state region covered by the program, as required by Section 126 of the CAA. The NOx Trading Program applies in addition to other applicable requirements for NOx emissions and in no way relaxes these other requirements.

Electrical generating units (EGU) that are subject to the NOx Trading Program are referred to as "budget EGU." Sources that have one or more EGU or other units subject to the NOx Trading Program are referred to as budget sources.

The NOx Trading Program controls NOx emissions from budget EGU and other budget units during a seasonal control period from May 1 through September 30 of each year, when weather conditions are conducive to formation of ozone in the ambient air. (In 2004, the first year that the NOx Trading Program is in effect, the control period will be May 31 through September 30.) By November 30 of each year, the allowance transfer deadline, each budget source must hold "NOx allowances" for the actual NOx emissions of its budget units during the preceding control period. The USEPA will then retire NOx allowances in the source's accounts in amounts equivalent to its seasonal emissions. If a source does not have sufficient allowances in its accounts, USEPA would subtract allowances from the source's future allocation for the next control period and impose other penalties as appropriate. Stringent monitoring procedures developed by USEPA apply to budget units to assure that actual emissions of NOx emissions are accurately determined.

The number of NOx allowances available for budget sources is set by the overall budget for NOx emissions established by USEPA. This budget requires a substantial reduction in NOx emissions from historical levels as necessary to meet air quality goals. In Illinois, existing budget sources initially receive their allocation or share of the NOx allowances budgeted for EGU in an amount determined by rule [35 IAC Part 217, Appendix F]. Between 2007 and 2011, the allocation mechanism for existing EGU gradually shifts to one based on the actual operation of EGU in preceding control periods. New budget EGU, for which limited operating data may be available, may obtain NOx

allowances from the new source set-aside (NSSA), a portion of the overall budget reserved for new EGU.

In addition to directly receiving or purchasing NOx allowances as described above, budget sources may transfer NOx allowances from one of their units to another. They may also purchase allowances in the marketplace from other sources that are willing to sell some of the allowances that they have received. Each budget source must designate an account representative to handle all its allowance transactions. The USEPA, in a central national system, will maintain allowance accounts and record transfer of allowances among accounts.

The ability of sources to transfer allowances will serve to minimize the costs of reducing NOx emissions from budget units to comply with the overall NOx budget. In particular, the NOx emissions of budget units that may be most economically controlled will be targeted by sources for further control of emissions. This will result in a surplus of NOx allowances from those units that can be transferred to other units at which it is more difficult to control NOx emissions. Experience with reduction of sulfur dioxide emissions under the federal Acid Rain program has shown that this type of trading program not only achieves regional emission reductions in a more cost-effective manner but also results in greater overall reductions than application of traditional emission standards to individual emission units.

The USEPA developed the plan for the NOx Trading Program with assistance from affected states. Illinois' rules for the NOx Trading Program for EGU are located at 35 IAC Part 217, Subpart W, and have been approved by the USEPA. These rules provide for interstate trading of NOx allowances, as mandated by Section 9.9 of the Act. Accordingly, these rules refer to and rely upon federal rules at 40 CFR Part 96, which have been developed by USEPA for certain aspects of the NOx Trading Program, and which an individual state must follow to allow for interstate trading of allowances.

Note: This narrative description of the NOx Trading Program is for informational purposes only and is not enforceable.

6.1.2 Applicability

- a. The following emission units at this source are budget EGU for purposes of the NOx Trading Program. Accordingly, this source is a budget source and the Permittee is the owner or operator of a budget source and budget EGU. In this section of this permit, these emission units are addressed as budget EGU.

Turbines CTG 5 - 12

- b. This permit does not provide "low-emitter status" for the above emission units pursuant to 35 IAC 217.754(c).

6.1.3 General Provisions of the NOx Trading Program

- a. This source and the budget EGU at this source shall comply with all applicable requirements of Illinois' NOx Trading Program, i.e., 35 IAC Part 217, Subpart W, and 40 CFR Part 96 (excluding 40 CFR 96.4(b) and 96.55(c), and excluding 40 CFR 96, Subparts C, E and I), pursuant to 35 IAC 217.756(a) and 217.756(f) (2).
- b. Any provision of the NOx Trading Program that applies to a budget source (including any provision applicable to the account representative of a budget source) shall also apply to the owner and operator of such budget sources and to the owner and operator of each budget EGU at the source, pursuant to 35 IAC 217.756(f) (3).
- c. Any provision of the NOx Trading Program that applies to a budget EGU (including any provision applicable to the account representative of a budget EGU) shall also apply to the owner and operator of such budget EGU. Except with regard to requirements applicable to budget EGUs with a common stack under 40 CFR 96, Subpart H, the owner and operator and the account representative of one budget EGU shall not be liable for any violation by any other budget EGU of which they are not an owner or operator or the account representative, pursuant to 35 IAC 217.756(f) (4).

6.1.4 Requirements for NOx Allowances

- a. Beginning in 2004, by November 30 of each year, the allowance transfer deadline, the account representative of each budget EGU at this source shall hold allowances available for compliance deduction under 40 CFR 96.54 in the budget EGUs compliance account or the source's overdraft account in an amount that shall not be less than the budget EGUs total tons of NOx emissions for the preceding control period, rounded to the nearest whole ton, as determined in accordance with 40 CFR 96, Subpart H, plus any number necessary to account for actual utilization (e.g., for testing, start-up, malfunction, and shut down) under 40 CFR 96.42(e) for the control period, pursuant to 35 IAC 217.756(d) (1). For purposes of this requirement, an allowance may not be utilized for a control period in a year prior to the year for which the allowance is allocated, pursuant to 35 IAC 217.756(d) (5).

- b. The account representative of a budget EGU that has excess emissions in any control period, i.e., NOx emissions in excess of the number of NOx allowances held as provided above, shall surrender allowances as required for deduction under 40 CFR 96.54(d) (1), pursuant to 35 IAC 201.756(f) (5). In addition, the owner or operator of a budget EGU that has excess emissions shall pay any fine, penalty, or assessment, or comply with any other remedy imposed under 40 CFR 96.54(d) (3) and the Act, pursuant to 35 IAC 217.756(f) (6). Each ton of NOx emitted in excess of the number of NOx allowances held as provided above for each budget EGU for each control period shall constitute a separate violation of 35 IAC Part 217 and the Act, pursuant to 35 IAC 217.756(d) (2).
- c. An allowance allocated by the Illinois EPA or USEPA under the NOx Trading Program is a limited authorization to emit one ton of NOx in accordance with the NOx Trading Program. As explained by 35 IAC 217.756(d) (6), no provisions of the NOx Trading Program, the budget permit application, the budget permit, or a retired unit exemption under 40 CFR 96.5 and no provision of law shall be construed to limit the authority of the United States or the State of Illinois to terminate or limit this authorization. As further explained by 35 IAC 217.756(d) (7), an allowance allocated by the Illinois EPA or USEPA under the NOx Trading Program does not constitute a property right. As provided by 35 IAC 217.756(d) (4), allowances shall be held in, deducted from, or transferred among allowances accounts in accordance with 35 IAC Part 217, Subpart W, and 40 CFR 96, Subparts F and G.

6.1.5 Monitoring Requirements for Budget EGU

- a. The Permittee shall comply with the monitoring requirements of 40 CFR Part 96, Subpart H, for each budget EGU and the compliance of each budget EGU with the emission limitation under Condition 6.1.4(a) shall be determined by the emission measurements recorded and reported in accordance with 40 CFR 96, Subpart H, pursuant to 35 IAC 217.756(c) (1), (c) (2) and (d) (3).

Note: The Permittee is conducting monitoring for emissions of NOx as provided under 40 CFR 75.19, Low Mass Emissions (LME) Excepted Methodology. (See also Condition 7.1.8(c)).

- b. The account representative for the source and each budget EGU at the source shall comply with those sections of the monitoring requirements of 40 CFR 96,

Subpart H, applicable to an account representative, pursuant to 35 IAC 217.756(c) (1) and (d) (3).

Note: Pursuant to 40 CFR 96.70(b), new budget EGU that commence operation before January 1, 2003 are to begin complying with applicable monitoring requirements of 40 CFR Part 96 at least one year in advance of the start of the first control period governed by the NOx Trading Program.

6.1.6 Recordkeeping Requirements for Budget EGU

Unless otherwise provided below, the Permittee shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This 5-year period may be extended for cause at any time prior to the end of the 5 years, in writing by the Illinois EPA or the USEPA.

- a. The account certificate of representation of the account representative for the source and each budget EGU at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 40 CFR 96.13, as provided by 35 IAC 217.756(e) (1) (A). These certificates and documents must be retained on site at the source for at least 5-years after they are superseded because of the submission of a new account certificate of representation changing the account representative.
- b. All emissions monitoring information, in accordance with 40 CFR 96, Subpart H, (provided that to the extent that 40 CFR 96, Subpart H, provides for a 3-year period for retaining records, the 3-year period shall apply), pursuant to 35 IAC 217.756(e) (1) (B).
- c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the NOx Trading Program or documents necessary to demonstrate compliance with requirements of the NOx Trading Program, pursuant to 35 IAC 217.756(e) (1) (C).
- d. Copies of all documents used to complete a budget permit application and any other submission under the NOx Trading Program, pursuant to 35 IAC 217.756(e) (1) (D).

6.1.7 Reporting Requirements for Budget EGU

- a. The account representative for this source and each budget EGU at this source shall submit to the Illinois EPA and USEPA the reports and compliance certifications required under the NOx Trading

Program, including those under 40 CFR 96, Subparts D and H, and 35 IAC 217.774, pursuant to 35 IAC 217.756(e) (2).

- b. Notwithstanding the provisions in Conditions 9.8 and 9.9 of this CAAPP permit, these submittals need only be signed by the designated representative, who may serve in place of the responsible official for this purpose, as provided by Section 39.5(1) of the Act, and submittals to the Illinois EPA need only be made to the Illinois EPA, Air Compliance Section.

6.1.8 Allocation of NOx Allowances to Budget EGU

- a. For 2004, 2005 and 2006, the budget EGU identified in Condition 6.1.2(a) will not be entitled to direct allocations of NOx allowances because these EGU will be considered "new" budget EGU, as defined in 35 IAC 217.768(a) (1).
- b.
 - i. Beginning in 2007, these budget EGU will cease to be "new" budget EGU and the source will be entitled to an allocation of NOx allowances for these budget EGU as provided in 35 IAC 217.764. For example, for 2007, the allocation of NOx allowances will be governed by 35 IAC 217.764(b) (2) and (b) (4).
 - ii. In accordance with 35 IAC 217.762, the theoretical number of NOx allowances for these budget EGU, calculated as the product of the applicable NOx emissions rate and heat input as follows, shall be the basis for determining the allocation of NOx allowances to these EGU:
 - A. As provided by 35 IAC 217.762(a) (2), the applicable NOx emission rate for these EGUs is 0.055 lb/mmBtu. This is the applicable emission rate for these EGUs, because 0.0524 lb/mmBtu, the permitted rate contained in Construction Permit 01040082, pursuant to which the EGU were constructed is less than 0.055 lb/mmBtu, as provided by 35 IAC 217.762(a) (2).
 - B. The applicable heat input (mmBtu/control period) shall be the average of the two highest heat inputs from the control periods four to six years prior to the year for which the allocation is being made, as provided by 35 IAC 217.762(b) (1).

6.1.9 Eligibility for NOx Allowances from the New Source Set-Aside (NSSA)

- a. In 2004, 2005 and 2006, the budget EGU identified in Condition 6.1.2(a) will qualify as "new" budget EGU

that commenced commercial operation prior to January 1, 2004. As such, the Permittee may be entitled to obtain NOx allowances from the NSSA for these EGU without charge, as provided by 35 IAC 217.768.

- b. For the purpose of any such request for NOx allowances, the NOx emission rate shall be the permitted emission rate of these EGU as specified in Condition 6.1.8(b)(ii) and the projected heat input shall not exceed the average of the EGUs two highest seasonal heat inputs for the control periods one to three years prior to the allocation year, pursuant to 35 IAC 217.768(e).

6.1.10 Eligibility for Early Reduction Credits (ERC)

The Permittee is not eligible to request NOx allowances for the budget EGU identified in Condition 6.1.2(a) for any early reductions in NOx emissions prior to the 2004 control period, as provided by 35 IAC 217.770, because these EGU are not equipped with continuous emission monitoring systems for NOx.

6.1.11 Budget Permit Required by the NOx Trading Program

- a. For this source, this segment of the CAAPP Permit, i.e., Section 6.1, is the Budget Permit required by the NOx Trading Program and is intended to contain federally enforceable conditions addressing all applicable NOx Trading Program requirements. This Budget Permit shall be treated as a complete and segregable portion of the source's entire CAAPP permit, as provided by 35 IAC 217.758(a)(2).
- b. The Permittee and any other owner or operator of this source and each budget EGU at the source shall operate the budget EGU in compliance with this Budget Permit, pursuant to 35 IAC 217.756(b)(2).
- c. No provision of this Budget Permit or the associated application shall be construed as exempting or excluding the Permittee, or other owner or operator and, to the extent applicable, the account representative of a budget source or budget EGU from compliance with any other regulation or requirement promulgated under the CAA, the Act, the approved State Implementation Plan, or other federally enforceable permit, pursuant to 35 IAC 217.756(g).
- d. Upon recordation by USEPA under 40 CFR 96, Subpart F or G, or 35 IAC 217.782, every allocation, transfer, or deduction of an allowance to or from the budget units' compliance accounts or to or from the overdraft account for the budget source is deemed to amend automatically, and become part of, this budget permit, pursuant to 35 IAC 217.756(d)(8). This

automatic amendment of this budget permit shall be deemed an operation of law and will not require any further review.

- e. No revision of this Budget Permit shall excuse any violation of the requirements of the NOx Trading Program that occurs prior to the date that the revisions to this permit takes effect, pursuant to 35 IAC 217.756(f) (1).
- f. The Permittee, or other owner or operator of the source, shall reapply for a Budget Permit for the source as required by 35 IAC Part 217, Subpart W and Section 39.5 of the Act. For purposes of the NOx Trading Program, the application shall contain the information specified by 35 IAC 217.758(b) (2).

6.2 Emissions Reduction Market System (ERMS)

6.2.1 Description of ERMS

The ERMS is a "cap and trade" market system for major stationary sources located in the Chicago ozone nonattainment area. It is designed to reduce VOM emissions from stationary sources to contribute to reasonable further progress toward attainment, as required by Section 182(c) of the CAA.

The ERMS addresses VOM emissions during a seasonal allotment period from May 1 through September 30. Participating sources must hold "allotment trading units" (ATUs) for their actual seasonal VOM emissions. Each year participating sources are issued ATUs based on allotments set in the sources' CAAPP permits. These allotments are established from historical VOM emissions or "baseline emissions" lowered to provide the emissions reductions from stationary sources required for reasonable further progress.

By December 31 of each year, the end of the reconciliation period following the seasonal allotment period, each source shall have sufficient ATUs in its transaction account to cover its actual VOM emissions during the preceding season. A transaction account's balance as of December 31 will include any valid ATU transfer agreements entered into as of December 31 of the given year, provided such agreements are promptly submitted to the Illinois EPA for entry into the transaction account database. The Illinois EPA will then retire ATUs in sources' transaction accounts in amounts equivalent to their seasonal emissions. When a source does not appear to have sufficient ATUs in its transaction account, the Illinois EPA will issue a notice to the source to begin the process for Emissions Excursion Compensation.

In addition to receiving ATUs pursuant to their allotments, participating sources may also obtain ATUs from the market, including ATUs bought from other participating sources and general participants in the ERMS that hold ATUs (35 IAC 205.630) and ATUs issued by the Illinois EPA as a consequence of VOM emissions reductions from an Emissions Reduction Generator or an Intersector Transaction (35 IAC 205.500 and 35 IAC 205.510). During the reconciliation period, sources may also buy ATUs from a secondary reserve of ATUs managed by the Illinois EPA, the "Alternative Compliance Market Account" (ACMA) (35 IAC 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 IAC 205.630).

6.2.2 Applicability

This permit is issued based on this source not being a participating source in the Emissions Reduction Market System (ERMS), 35 IAC Part 205, pursuant to 35 IAC 205.200. This is based on the source's actual VOM emissions during the seasonal allotment period from May 1 through September 30 of each year being less than 10 tons and the source's baseline emissions also being less than 10 tons.

6.2.3 Recordkeeping and Reporting

- a. The Permittee shall maintain the following records to allow the confirmation of actual VOM emissions during the seasonal allotment period:
 - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in Sections 5 and 7 of this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;
 - ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures specified in Sections 5 and 7 of this permit; and
 - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period, which shall be compiled by November 30 of each year.
- b. In the event that the source's VOM emissions during the seasonal allotment period equal or exceed 10 tons, the source shall become a participating source in the ERMS and beginning with the following seasonal allotment period, shall comply with 35 IAC Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period, unless the source obtains exemption from the ERMS by operating with seasonal VOM emissions of no more than 15 tons pursuant to a limitation applied for and established in its CAAPP permit.

6.3 Acid Rain Program

6.3.1 Applicability

Under Title IV of the CAA, Acid Deposition Control, this source is an affected source and the following emission units at the source are affected units for acid deposition:

Turbines CTG 5 - 12

Note: Title IV of the CAA, and other laws and regulations promulgated thereunder, establish requirements for affected sources related to control of emissions of pollutants that contribute to acid rain. For purposes of this permit, these requirements are referred to as Title IV provisions.

6.3.2 Applicable Emission Requirements

The owners and operators of the source shall not violate applicable Title IV provisions. In particular, NO_x emissions of affected units shall not exceed the limit set by 40 CFR Part 76 as allowed by an Acid Rain Permit (See also Section 10). SO₂ emissions of the affected units shall not exceed any allowances that the source lawfully holds under Title IV provisions. [Section 39.5(7)(g) and (17)(1) of the Act]

Note: Affected sources must hold SO₂ allowances to account for the SO₂ emissions from affected units at the source that are subject to Title IV provisions. Each allowance is a limited authorization to emit up to one ton of SO₂ emissions during or after a specified calendar year. The possession of allowances does not authorize exceedances of applicable emission standards or violations of ambient air quality standards.

6.3.3 Monitoring, Recordkeeping and Reporting

The owners and operators of the source and, to the extent applicable, their designated representative, shall comply with applicable requirements for monitoring, recordkeeping and reporting specified by Title IV provisions, including 40 CFR Part 75. [Section 39.5(7)(b) and 17(m) of the Act]

Note: As further addressed by Section 7 of this permit, the following emission determination methods are currently being used for the affected units at this source.

NO_x: Low Mass Emissions (LME) Excepted Methodology, 40 CFR 75.19
SO₂: Combustion of Gaseous Fuels, Section 2.3, Appendix D,
40 CFR Part 75

6.3.4 Acid Rain Permit

The owners and operators of the source shall comply with the terms and conditions of the source's Acid Rain permit. [Section 39.5(17) (1) of the Act]

Note: The source is subject to an Acid Rain permit, which was issued pursuant to Title IV provisions, including Section 39.5(17) of the Act. Affected sources must be operated in compliance with their Acid Rain permits. This source's Acid Rain permit is incorporated by reference into this permit and a copy of the current Acid Rain permit is included as Attachment 3 of this permit. Revisions and modifications of this Acid Rain permit, including administrative amendments and automatic amendments (pursuant to Sections 408(b) and 403(d) of the CAA or regulations thereunder) are governed by Title IV provisions, as provided by Section 39.5(13) (e) of the Act. Accordingly, revision or renewal of the Acid Rain permit may be handled separately from this CAAPP permit and a copy of the new Acid Rain permit may be included in this permit by administrative amendment.

6.3.5 Coordination with Other Requirements

- a. This permit does not contain any conditions that are intended to interfere with or modify the requirements of Title IV provisions. In particular, this permit does not restrict the flexibility under Title IV provisions of the owners and operators of this source to amend their Acid Rain compliance plan. [Section 39.5(17) (h) of the Act]
- b. Where another applicable requirement of the CAA is more stringent than an applicable requirement of Title IV provisions, both requirements are incorporated into this permit and are enforceable and the owners and operators of the source shall comply with both requirements. [Section 39.5(7) (h) of the Act]

7.0 UNIT SPECIFIC CONDITIONS

7.1 Turbines (Subject to NSPS - 40 CFR Subpart GG)

7.1.1 Description

The turbines are process emission units used to generate electricity. The turbines are powered by natural gas. NOx emissions are controlled with dry low NOx combustors.

7.1.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Emission Control Equipment
CTG 5 - 12	Eight 44 MW Natural Gas Fired Turbines (467 mmBtu/hr) (Oct 2001)	Dry Low NOx Combustors

7.1.3 Applicability Provisions and Applicable Regulations

- a. An "affected turbine" for the purpose of these unit-specific conditions, is a turbine described in Conditions 7.1.1 and 7.1.2.
- b. The affected turbines shall comply with the standard in Condition 5.2.2(b), which addresses the opacity of the emission of smoke or other particulate matter from emission units, pursuant to 35 IAC 212.123..
- c. The affected turbines are subject to the NSPS for Stationary Gas Turbines, 40 CFR 60 Subparts A and GG, because the heat input at peak load is equal to or greater than 10.7 gigajoules per hour (10 mmBtu/hr), based on the lower heating value of the fuel fired and the affected turbines commenced construction, modification, or reconstruction after October 3, 1977. The Illinois EPA administers the NSPS for subject sources in Illinois pursuant to a delegation agreement with the USEPA.
 - i. Standard for Nitrogen Oxides:

Pursuant to 40 CFR 60.332(b), electric utility stationary gas turbines with a heat input at peak load greater than 107.2 gigajoules per hour (100 million Btu/hour) based on the lower heating value of the fuel fired shall comply with the provisions of 40 CFR 60.332(a)(1). Pursuant to 40 CFR 60.332(a)(1), no owner or operator of an affected turbine shall cause to be discharged into the atmosphere from such gas turbine, any gases which contain nitrogen oxides in excess of:

$$\text{STD} = 0.0075 \frac{(14.4)}{Y} + F$$

Where:

STD = Allowable NOx emissions (percent by volume at 15 percent oxygen and on a dry basis).

Y = Manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour.

F = NOx emission allowance for fuel-bound nitrogen calculated from the nitrogen content of the fuel as follows:

Fuel-bound nitrogen (percent by weight)	F (NOx percent by volume)
$N < 0.015$	0
$0.015 < N \leq 0.1$	0.04 (N)
$0.1 < N \leq 0.25$	$0.04 + 0.0067(N - 0.1)$
$N > 0.25$	0.005

Where:

N = The nitrogen content of the fuel (percent by weight) determined in accordance with Condition 7.1.8.

ii. Standard for Sulfur Dioxide

A. No owner or operator of an affected turbine shall cause to be discharged into the atmosphere from any stationary gas turbine any gases which contain sulfur dioxide in excess of 0.015 percent by volume at 15 percent oxygen and on a dry basis [40 CFR 60.333(a)], Or

B. No owner or operator of an affected turbine shall burn in any stationary gas turbine any fuel which contains sulfur in excess of 0.8 percent by weight [40 CFR 60.333(b)].

- d. No person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to exceed 2000 ppm [35 IAC 214.301].
- e. During each ozone control period (May 1 through September 30), the emissions of NOx from an affected turbine shall not exceed 0.25 lb/mmBtu of actual heat input based on a ozone control period average, for that unit, pursuant to 35 IAC 217.706(a).

Note: Given the emission determination methods specified by 35 IAC 217.710, the emissions of NOx for purposes of these standards are generally calculated in accordance with the federal Acid Rain Program and are different from the emissions determined for purposes of the NOx Trading Program.

f. Startup Provisions

The Permittee is authorized to operate an affected turbine in violation of the applicable standards in Condition 5.2.2(b) (35 IAC 212.123(a)) during startup subject to the following provisions. This authorization is provided pursuant to 35 IAC 201.262, as the Permittee has affirmatively demonstrated that all reasonable efforts have been made to minimize startup emissions, duration of individual starts, and frequency of startups. This authorization is subject to the following:

- i. This authorization only extends for a period of up to 60-minutes following initial firing of fuel for each startup event.
- ii. The Permittee shall take the following measures to minimize emissions resulting from startups, the duration of startups, and minimize the frequency of startups:
 - A. Operating in accordance with the manufacturer's written operating and startup procedures, including a pre-check of the unit, or other written procedures developed and maintained by the Permittee so as to minimize the duration of startups and the emissions associated with startups. These procedures should allow for review of operating parameters of the unit during startup, or shutdown as necessary to make adjustments to reduce or eliminate excess emissions.

B. Maintaining units in accordance with written procedures developed and maintained by the Permittee so as to minimize the duration of startups and the frequency of startups. These maintenance practices shall include maintenance activities before the unit is started up, when the unit is in operation, and when the unit is shut down.

C. The procedures described above shall be reviewed at least annually to make necessary adjustments and shall be made available to the Illinois EPA upon request.

iii. The Permittee shall fulfill applicable recordkeeping requirements of Condition 7.1.9(j).

7.1.4 Non-Applicability of Regulations of Concern

a. This permit is issued based on the affected turbines not being subject to the following state emission standards.

i. 35 IAC 212.321 or 212.322, because due to the nature of such units, a process weight rate can not be set so that such rules can not reasonably be applied.

ii. 35 IAC 217.141, because the affected turbines are not by definition fuel combustion units.

iii. 35 IAC 216.121, because the affected turbines are not by definition fuel combustion units.

b. This permit is issued based on the Permittee not having to conduct continuous monitoring under the federal Acid Rain Program, as follows:

i. The affected turbines are gas-fired units, as defined in 40 CFR 72.2, so that monitoring is not required for SO₂ or opacity. (Refer to 40 CFR 75.11(d) and 75.14(c))

ii. The affected turbines qualify for use of the Low Mass Emissions Excepted Methodology as specified in 40 CFR 75.19(a), so that monitoring for NO_x is not required.

c. This permit is issued based on the affected turbines not being subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary

Sources, because the affected turbines do not use a control device, as defined in 40 CFR 64.1, to achieve compliance with an emission limitation or standard. In particular, compliance with the applicable standards and limitations for emissions of NO_x is achieved by the design of combustion system, which is not a control device for purpose of 40 CFR Part 64.

7.1.5 Operational and Production Limits and Work Practices

- a. At all times, including periods of startup, shutdown, and malfunction, the Permittee shall, to the extent practicable, maintain and operate any affected turbine in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Illinois EPA or the USEPA which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source [40 CFR 60.11(d)].
- b. Natural gas shall be the only fuel fired in the affected turbines [T1].
- c. The affected turbines shall be equipped, operated, and maintained with dry low NO_x combustors to control NO_x emissions [T1].
- d. The affected turbines, in total, shall not fire more than 8,610 million standard cubic feet of natural gas per year. Compliance with annual limitations shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total) [T1].
- e. Each affected turbine shall be operated in a manner consistent with good air pollution control practice to minimize emissions and opacity during startup and shutdown including the following [T1].
 - i. The Permittee shall manage the operation of the affected turbines to minimize multiple startups of an affected turbine in a single day, unless the affected turbine is tripped off during startup, and to provide adequate time for normal startup of the affected turbines, except for "quick starts" that are due to requests for immediate delivery of power, as would result from unexpected loss of a transmission line or other generating capacity.

- ii. Except as provided below, the Permittee shall not operate the affected turbines below 75 percent load or the load at which emission testing conducted using USEPA reference methods as specified in Condition 7.1.7 has demonstrated compliance with the applicable hourly emission limits in Condition 7.1.6(a).
 - A. During startup or shutdown of each turbine or for the purpose of emission testing.
 - B. For the restoration of electrical power following a black out.
 - C. During periodic demonstrations of "Black Start" capability (i.e., ability to start the turbines in the event of a blackout and outage of the power grid), for a total of up to 64 turbine hours per calendar year.

Note: The above requirements in Condition 7.1.5(b), (c), (d), and (e) were established in Permit 01040082, pursuant to 40 CFR 52.21, the federal rules for Prevention of Significant Deterioration of Air Quality (PSD) and 35 IAC, Part 203, the state rules for Major Stationary Source Construction and Modification (MSSCAM). The provisions in Condition 7.1.5(e) were also established pursuant to 35 IAC Part 201, Subpart I and Section 39 of the Act.

7.1.6 Emission Limitations

In addition to Condition 5.2.2 and the source wide emission limitations in Condition 5.5, the affected turbines are subject to the following:

- a. Hourly emissions from each affected turbine shall not exceed the following limits except during startup and shutdown as addressed by Condition 7.1.3(f) as addressed below [T1R]:

<u>Pollutant</u>	<u>(Lb/Hour)</u>	<u>(Lb/mmBtu¹)</u>
NOx	24.5	0.0524
CO	14.37	0.0308
VOM	1.77	0.0038
PM/PM ₁₀	11.0	----
SO ₂	1.28	----
Individual HAP ²	0.9	----

¹ Based on Lower Heating Value (LHV) of the fuel.

² Emissions of individual HAP such as formaldehyde, benzene, etc.

- b. Total annual emissions from the affected turbines combined shall not exceed the following limitations. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total) [T1].

<u>Pollutant</u>	<u>(Ton/Year)</u>
NOx	235.2
CO	144.1
VOM	17.8
PM/PM ₁₀	110.3
SO ₂	12.8
Individual HAP ¹	8.9

¹ Emissions of individual HAP such as formaldehyde, benzene, etc.

Note: The above limitations were generally established in Permit 01040082, pursuant to 40 CFR 52.21, the federal rules for Prevention of Significant Deterioration of Air Quality (PSD) and 35 IAC Part 203, the state rules for Major Stationary Source Construction and Modification (MSSCAM). These limitations ensure that the affected turbines do not constitute a major modification pursuant to Title I of the CAA, specifically the federal PSD rules or the state MSSCAM rules. These limitations have been supplemented with limitations for emissions of HAPs to ensure that neither the source nor the affected turbines are a major source of HAPs.

- c. Unless an alternative factor is established for the pollutant or emissions monitoring is performed for the pollutant, emissions of NOx, CO and VOM during an hour that includes a startup shall be presumed to be higher by a factor of 1.25, 1.5 and 10.0 respectively than the limits in Condition 7.1.6, for example, NOx emissions during an hour with a startup shall be presumed to be 30.6 lb/hr rather than 24.5 lb/hr as allowed for normal operation. These presumptions are based on data in the application describing maximum emissions during startup of an affected turbine. Any alternative factor for emissions during startup of an affected turbine shall be based on representative emission testing conducted with USEPA Reference Test Methods [T1].

- d. For certain operation at low load, as allowed by Condition 7.1.5(e) (ii) (C), unless an alternative factor is submitted to the Illinois EPA and approved in a revised CAAPP permit for the source, the emissions from each period of such operation, the initial hour of startup with low-load shall be determined as described in Condition 7.1.6(c) above and the emissions from each subsequent hours shall be presumed to be at least equivalent to one third of the limits in Condition 7.1.6(a) [T1R].

Note: For example, the emissions of NOx from each affected turbine for periods of black start testing which would last for 8 hours, would be 87.7 lbs, i.e., 30.6 lb for the first hour (1.25×24.5) and 8.16 lb (0.33×24.5) for each of the subsequent hours, for a total of 87.7 ($30.6 + (7 \times 8.16) = 87.7$)

- e. Unless emission monitoring is performed for a pollutant, emissions during periods other than startup and certain low-load operation (as addressed by Condition 7.1.6(c) and (d) above) shall be determined from emission factors developed from testing in accordance with Condition 7.1.7 (NOx, CO, VOM, and PM/PM₁₀), analysis of fuel sulfur content or standard factors (SO₂), and appropriate emission factors (individual HAPs) [T1].
- f. The establishment of the above procedures for determining compliance with the annual emission limits shall not shield the Permittee from responsibility to account for all emissions from the source, including emissions during startup or upset conditions, as other credible information may demonstrate that the above procedures do not adequately account for the actual emissions of the source [T1].

Note: The above provisions were established in permit 01040082, pursuant to 40 CFR 52.21, the federal rules for Prevention of Significant Deterioration of Air Quality (PSD) and 35 IAC Part 203, the state rules for Major Stationary Source Construction and Modification (MSSCAM), to specify the methodology to be used to determine compliance with applicable emission limits. The language of Condition 7.1.6(d) was revised to improve clarity.

7.1.7 Testing Requirements

- a. Within 45 days of the written request, or the date agreed upon by the Illinois EPA, which ever is later, the Permittee shall have the NOx, CO, PM, and VOM

concentrations in the exhaust of the affected turbines measured by an approved independent testing service. These measurements shall be conducted using USEPA Reference Methods in 40 CFR 60 Appendix A, in accordance with 40 CFR 60.335 and 35 IAC Part 283.

7.1.8 Monitoring Requirements

- a. The Permittee shall install, operate and maintain a continuous monitoring system to monitor and record the fuel consumption of each affected turbine [40 CFR 60.334(a)].
- b.
 - i. The Permittee shall monitor the fuel being fired in each affected turbine for total sulfur content pursuant to 40 CFR 60.334(h)(1), unless the Permittee demonstrates that fuel for an affected turbine meets the definition of "natural gas" in 40 CFR 60.334(u), in accordance with 40 CFR 60.334(h)(3) and (i)(2).
 - ii. If the Permittee relies on an allowance for fuel bound nitrogen (F-value) in the fuel for an affected turbine for the purpose of determining compliance with Condition 7.1.3(c)(i), the Permittee shall conduct monitoring for the nitrogen content of such fuel in accordance with 40 CFR 60.335(b)(9) and (i)(2), as provided by 40 CFR 60.334(h)(2). Otherwise, monitoring of fuel nitrogen content is not required.
- c.
 - i. This permit is issued based on the affected turbines qualifying for alternative monitoring for emissions of NO_x under 40 CFR Part 75, i.e. 40 CFR 75.19, Low Mass Emissions Excepted Methodology.
 - ii. As provided by 40 CFR 75.19(a), for each affected turbine, to maintain its eligibility to use Low Mass Emissions Excepted Methodology as related to emissions of NO_x:
 - A. The calculated NO_x emissions of the affected turbine shall not exceed 100 tons in a year and 50 tons of NO_x during the ozone season, as determined using the methodology specified in 40 CFR 75.19(c).
 - B. The Permittee shall demonstrate on an annual basis in accordance with 40 CFR 75.19(b)(1) that the above criteria have been met.

C. The Permittee shall keep records for each affected turbine of operating time, fuel usage, and unit output in accordance with 75.19(c) (2).

iii. In the event that an affected turbine ceases to meet the eligibility requirements for use of Low Mass Emissions Excepted Methodology, the Permittee shall install, operate and maintain a NOx CEMS on such turbine to fully comply with the applicable monitoring requirements of the federal Acid Rain Program, as specified in 40 CFR 75.12 and 75.13, by December 31 of the following calendar year, in order to remain in compliance with the provisions of the Acid Rain Program, as provided by 40 CFR 75.19(b) (2).

7.1.9 Recordkeeping Requirements

In addition to the records required by Condition 5.6, the Permittee shall maintain records of the following items for the affected turbines pursuant to Section 39.5(7) (b) of the Act:

- a. A maintenance and repair log for each affected turbine, including the dry low NOx combustors, listing activities performed with date.
- b. The sulfur content of the fuel fired in the affected turbines, if such data must be collected pursuant to 40 CFR 60.334 or 40 CFR Part 75, Appendix D.
- c. Fuel consumption for each affected turbine, scf/day and scf/year.
- d.
 - i. Operating hours for each affected turbine, hr/day and hr/year.
 - ii. Facility operating hours on a daily basis. For this purpose, the Permittee shall consider the facility to operate for one hour if one or more affected turbines are operated during an hour. For example, if one affected turbine or eight affected turbines operate from 12:00 noon to 6:00 PM on a day, in both cases, this shall count as six operating hours
- e. Heat content of the fuel being fired in the affected turbines.

- f. Emissions of each pollutant from the affected turbines, including emissions from startups, with supporting calculations including documentation on the validity of the emission factors used, ton/month and ton/yr.

Note: For this purpose, the Permittee shall keep records for the individual HAPs emitted in greatest amounts from the affected turbines, sufficient to demonstrate that the total emissions of HAPs from the source are less than 25 tons/year.

- g. The Permittee shall maintain the following if required:
 - i. Any day in which emission and/or opacity exceeded an applicable standard or limit.
 - ii. If a continuous monitoring system must be installed and operated, any periods during which such monitoring system was not operational, with explanation.
- h. During the ozone control period, the applicable records related to NOx emissions required by 40 CFR Part 75 including, but not limited to, 40 CFR 75.54(b) and (d) [35 IAC 217.712(a)].

- j. Records for Startup

The following information for each startup:

- i. Date and duration of the startup, i.e., start time and time normal operation achieved.
- ii. If normal operation was not achieved within 60-minutes, an explanation why startup could not be achieved.
- iii. An explanation why established startup procedures could not be performed, if not performed.
- iv. The nature of opacity, i.e., severity and duration, during the startup and the nature of opacity at the conclusion of startup, if above normal.
- v. Whether exceedance of Condition 5.2.2 may have occurred during startup, with explanation and estimated duration (minutes).

7.1.10 Reporting Requirements

- a. The Permittee shall promptly notify the Illinois EPA of deviations of an affected turbine with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:
 - i. Notification within 30 days for operation of each affected turbine that was not in compliance with applicable requirements of Section 7.1.3, 7.1.5, and 7.1.6.
- b.
 - i. The Permittee shall submit a report by November 30 of each year, to the Illinois EPA that demonstrates that each affected turbine has complied with Condition 7.1.3(e). These reports shall be accompanied by a certification statement signed by a responsible official for the Permittee as specified by 35 IAC 217.712(c), pursuant to 35 IAC 217.712(c), (d), and (e). This report shall contain the information specified by 35 IAC 217.712(d) including the heat input and NO_x emissions of the affected turbine for the ozone control period.
 - ii. The Permittee shall fulfill the applicable reporting requirements of 40 CFR Part 75 related to NO_x emissions, pursuant to 35 IAC 217.712(a).
- c. The Permittee shall notify the Illinois within 10 days if NO_x emissions of the facility, go above 160 tons/year, as calculated in Condition 7.1.8. This notification shall explain whether this appears to be due to unusually high demand for power or represents levels of demand that may be expected to continue in the future.
- d. In conjunction with the Annual Emission Report required by 35 IAC Part 254, the Permittee shall provide the operating hours of each affected turbine, the total number of startups the total fuel consumption, and if continuous emission monitoring is not being conducted for NO_x, the average annual capacity factor of the facility, with supporting calculations.

7.1.11 Operational Flexibility/Anticipated Operating Scenarios

N/A

7.1.12 Compliance Procedures

- a. Compliance with Conditions 7.1.3(c)(i) and (e), NO_x emissions standards, is addressed by the monitoring requirements of Condition 7.1.8 and by the recordkeeping requirements of Condition 7.1.9.
- b. Compliance with Condition 7.1.3(c)(ii), SO₂ emission standards, is addressed by the monitoring requirements of Condition 7.1.8 and by the recordkeeping requirements of Condition 7.1.9.
- c. Compliance with Condition 7.1.3(d) is demonstrated by use of natural gas as the only fuel in the affected turbines.
- d. Compliance with the emission limits in Conditions 5.5 and 7.1.6 is addressed by the provisions of Condition 7.1.5, 7.1.6(c), (d) and (e), 7.1.7, 7.1.8 and 7.1.9..

7.2 Diesel Engines

7.2.1 Description

The Permittee has three distillate fuel oil fired internal combustion engines. The engines provide "Black Start" capability to the source allowing it to start the turbines in the event of a blackout and outage of the power grid. In such an event, this capability would assist in restoring power to affected area.

7.2.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Control Equipment
EDG A, EDG B, and EDG C	Three Stationary Diesel Engine Generators Nominal 2,179 KW (2003)	None

7.2.3 Applicability Provisions

- a. The "affected engines" for the purpose of these unit-specific conditions are engines described in Conditions 7.2.1 and 7.2.2.

7.2.4 Applicable Emission Standards

- a. The affected engines shall comply with the standard in Condition 5.2.2(b), which addresses the opacity of the emission of smoke or other particulate matter from emission units, pursuant to 35 IAC 212.123.
- b.
 - i. The sulfur dioxide emissions from each affected engine shall not exceed 0.3 lb/mmBtu in any one hour period, pursuant to 35 IAC 214.122(b)(2) and 214.304.
 - ii. Each affected engine is subject to 35 IAC 214.301, which provides that no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm.

7.2.5 Non-Applicability of Regulations of Concern

- a. This permit is issued based on the affected engines not being subject to the requirements of 35 IAC 212.321 or 212.322 because, due to the nature of such units, a process weight rate can not be set, so that such rules can not reasonably be applied, pursuant to 35 IAC 212.123.

- b. The affected engines are not subject to 35 IAC 216.121 or 217.141, because the affected engines are not by definition fuel combustion units as defined by 35 IAC 201.2470.
- c. This permit is issued based on the affected engines not being subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected engines do not use an add-on control device to achieve compliance with an emission limitation or standard.
- d. This permit is issued based on the affected engines not being subject to the requirements of the federal Acid Rain Program, except for the provisions in 40 CFR 72.2 through 72.7 and 72.10 through 72.13, because the affected engines meet the new units exemption requirement of 40 CFR 72.7(a), i.e. each affected engine's name plate capacity is less than 25 MWe and each engine burns only fuels with a sulfur content of 0.05 percent or less by weight, on an annual average.

7.2.6 Work Practices, Operational and Production Limits, and Emission Limitations

- a. The fuel used in the affected engines shall contain no more than 0.05 percent by weight sulfur [T1].
- b. The affected engines shall not operate for more than 600 engine-hours per year, total (total for all three engines) [T1].
- c. i. Hourly emissions (lb/hr) from each affected engine shall not exceed the following limitations [T1].

<u>Pollutant</u>	<u>Emissions (lb/hr)</u>
NOx	35.4
CO	2.3
PM/PM ₁₀	0.7
VOM	0.7
SO ₂	1.0
Individual HAP*	0.35

* Individual HAP such as formaldehyde, propylene, benzene, etc.

- ii. The annual emissions from the three affected engines, in total, shall not exceed the following limitations. Compliance with these limitations shall be determined from a running total of 12 months of data [T1].

<u>Pollutant</u>	<u>Emissions (Tons/Year)</u>
NOx	10.6
CO	0.7
PM	0.2
VOM	0.2
SO ₂	0.3
Individual HAP*	0.1

* Individual HAP such as formaldehyde, propylene, benzene, etc.

Note: The limitations in Condition 7.2.6(a), (b), and (c) above were generally established in Permit 01040082, pursuant to 40 CFR 52.21, the federal rules for Prevention of Significant Deterioration of Air Quality (PSD) and 35 IAC Part 203, the state rules for Major Stationary Source Construction and Modification (MSSCAM). These limitations ensure that the affected engines do not constitute a major modification pursuant to Title I of the CAA, specifically the federal PSD rules or the state MSSCAM rules. These limitations have been supplemented with limitations for emissions of HAPs to ensure that neither the source nor the affected engines are a major source of HAPs.

- d. i. If the affected engines are routinely operated or exercised to confirm that the engines will operate when needed, the operation and opacity of the engines shall be formally observed by operating personnel for the engines or a member of Permittee's environmental staff on a regular basis to assure that the engines are operating properly, which observations shall be made at least every six months.
- ii. If the affected engines are not routinely operated or exercised, i.e., the time interval between operation of the affected engines are typically greater than six months, the operation and opacity of the affected engines shall be formally observed as provided above each time the Permittee carries out a scheduled exercise of the affected engines.
- iii. The Permittee shall also conduct formal observations of operation and opacity of the affected engines upon written request by the Illinois EPA. With the agreement of the Illinois EPA, the Permittee may schedule these observations to take place during periods when it would otherwise be operating the affected engines.

7.2.7 Testing Requirements

- a. The Permittee shall have the opacity of the exhaust from each affected engine during representative operating conditions determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below, pursuant to Section 39.5(7)(b) of the Act.
 - i. For each affected engine, once for every 150 hours of operation. For this purpose, testing shall first be conducted within the initial 50 hours of operation of the engine pursuant to this permit.
 - ii. Upon written request by the Illinois EPA, such testing shall be conducted for the engine within 45 calendar days of the request, or on the date engine next operates, or on the date agreed upon by the Illinois EPA, whichever is later.
- b. 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 10.0 percent.
- c.
 - i. 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).
 - ii. The Permittee shall promptly notify the Illinois EPA of any changes in the time or date for testing.
 - iii. 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.
- d. The Permittee shall submit a written report for this testing within 15 days of the date of testing. This report shall include:
 - i. Date and time of testing.
 - ii. Name and employer of qualified observer.
 - iii. Copy of current certification.

- iv. Description of observation conditions.
- v. Description of engine operating conditions.
- vi. Raw data.
- vii. Opacity determinations.
- viii. Conclusions.

7.2.8 Monitoring Requirements

None

7.2.9 Recordkeeping Requirements

The Permittee shall maintain records of the following items for each affected engine, pursuant to Section 39.5(7)(b) of the Act:

- a. i. An operating log for each affected engine, which shall include the following information:
 - A. Information for each time the engine is operated, with date, time, duration, and purpose (i.e., exercise or power service).
 - B. Information for the observations conducted pursuant to Condition 7.2.6(d), with date, time, personnel, and findings.
 - C. Information for any incident in which the operation of the engine continued during malfunction or breakdown, including: date, time, and duration; a description of the incident; whether emissions exceeded or may have exceeded any applicable standard; a description of the corrective actions taken to reduce emissions and the duration of the incident; and a description of the preventative actions taken.
 - D. Information identifying any deviation from Condition 7.2.6(d)(i).
- ii. A maintenance and repair log for the affected engine, listing each activity performed with date.

- b. i. Records for each shipment of fuel for the affected engines, including date, supplier, quantity (in gallons), sulfur content, heat content, whether the sulfur content meets the requirement in Condition 7.2.6(a), and whether the SO₂ emissions from the burning of such fuel would meet the standard in Condition 7.2.4(b) (i).

Note: These records are also required by 40 CFR 72.7(f) (3).

- ii. Total fuel usage for the affected engines, (gallons/month and gallons/year).
- c. If the sulfur content of any shipment of fuel received for or burned in the affected engines in a calendar year exceeds 0.05 percent by weight, the annual average sulfur content of the fuel burned in each engine, determined in accordance with 40 CFR 72.7(d), with supporting calculations.
- d. Operating hours for each affected engine.
- e. Manufacturers specification for each affected engine's rated load and associated emission factors.
- f. i. A file containing data for the maximum hourly emission rates (lb/hr) from each affected engine, with supporting calculations.
ii. The monthly and annual emissions of NO_x, SO₂, PM, VOM and CO with supporting calculations for the affected engines.
- g. Records for Opacity Measurements

Opacity observations made in accordance with USEPA Method 9 for each affected engine that it conducts or that are conducted on its behest by individuals who are qualified to make such observations. For each occasion on which such observations are made, these records shall include the identify of the observer, a description of the various observations that were made, the observed opacity, and copies of the raw data sheets for the observations.

7.2.10 Reporting Requirements

- a. Reporting of Deviations

For each affected engine, the Permittee shall promptly notify the Illinois EPA of deviations from permit requirements as follows, pursuant to Section 39.5(7) (f) (ii) of the Act:

- i. Notification within 30 days for a deviation from Condition 7.2.4 or 7.2.6(a), (b), or (c) with a copy of the applicable records for the incident and a discussion of the probable cause of deviation, the corrective actions taken, and the preventative measures taken.
- ii. A. Reporting in a quarterly reports for other deviations, including deviations from applicable emission standards, inspection requirements and recordkeeping requirements. For this purpose, these reports shall include a description of each incident and a discussion of the probable cause of the deviation, the corrective actions taken, and the preventative measures taken.

B. With the quarterly report, the Permittee shall also address deviations that occurred during the quarter that have been separately reported to the Illinois EPA, with a summary of such deviations. For this purpose, the Permittee need not resubmit the detailed information provided in the initial notifications and reports for such deviations.

7.2.11 Operational Flexibility/Anticipated Operating Scenarios

None

7.2.12 Compliance Procedures

- a. Compliance with the opacity limits specified in Condition 7.2.4(a) is addressed by the requirements in Conditions 7.2.7, and 7.2.9.
- b. Compliance with Condition 7.2.4(b) is addressed by records required by Condition 7.2.9(b). For this purpose, complete conversion of sulfur to SO₂ shall be assumed, e.g., SO₂ emissions in lb/mmBtu are twice the sulfur content of the fuel supply, in lb/mmBtu.

Note: Separate records are not being required for Condition 7.2.4(b) (ii) because stoichiometric combustion of oil to emit 0.3 lb SO₂ per million Btu (so as to exactly comply with Condition 7.2.4(b) (i)) would result in an SO₂ concentration in the exhaust of only about 160 ppm based on the F-factor for oil in USEPA's Reference Method 19, which is well below the 2000 ppm limit in Condition 7.2.4(b) (ii).

c. Compliance with Condition 7.2.6 is addressed by the requirements in Conditions 7.2.6(d), 7.2.7, and 7.2.9.

Note: This Condition 7.2.12 is included in this permit pursuant to Section 39.5(p) (v) of the Act.

8.0 GENERAL PERMIT CONDITIONS

8.1 Permit Shield

Pursuant to Section 39.5(7)(j) of the Act, the Permittee has requested and has been granted a permit shield. This permit shield provides that compliance with the conditions of this permit shall be deemed compliance with applicable requirements which were applicable as of the date the proposed permit for this source was issued, provided that either the applicable requirements are specifically identified within this permit, or the Illinois EPA, in acting on this permit application, has determined that other requirements specifically identified are not applicable to this source and this determination (or a concise summary thereof) is included in this permit.

This permit shield does not extend to applicable requirements which are promulgated after September 11, 2003 (the date of issuance of the draft permit) unless this permit has been modified to reflect such new requirements.

8.2 Applicability of Title IV Requirements (Acid Deposition Control)

This source is an affected source under Title IV of the CAA and is subject to requirements pursuant to Title IV of the CAA as specified in Section 5.2. To the extent that the federal regulations promulgated under Title IV of the CAA, are inconsistent with the requirements of this permit, the federal regulations promulgated under Title IV of the CAA shall take precedence pursuant to Section 39.5(17)(j) of the Act.

8.3 Emissions Trading Programs

No permit revision shall be required for increases in emissions allowed under any USEPA approved economic incentives, marketable permits, emissions trading, and other similar programs or processes for changes that are provided for elsewhere in this permit and that are authorized by the applicable requirement [Section 39.5(7)(o)(vii) of the Act].

8.4 Operational Flexibility/Anticipated Operating Scenarios

8.4.1 Changes Specifically Addressed by Permit

Physical or operational changes specifically addressed by the Conditions of this permit that have been identified as not requiring Illinois EPA notification may be implemented without prior notice to the Illinois EPA.

8.4.2 Changes Requiring Prior Notification

The Permittee is authorized to make physical or operational changes that contravene express permit terms without applying for or obtaining an amendment to this permit, provided that [Section 39.5(12)(a)(i) of the Act]:

- a. The changes do not violate applicable requirements;
- b. The changes do not contravene federally enforceable permit terms or conditions that are monitoring (including test methods), recordkeeping, reporting, or compliance certification requirements;
- c. The changes do not constitute a modification under Title I of the CAA;
- d. Emissions will not exceed the emissions allowed under this permit following implementation of the physical or operational change; and
- e. The Permittee provides written notice to the Illinois EPA, Division of Air Pollution Control, Permit Section, at least 7 days before commencement of the change. This notice shall:
 - i. Describe the physical or operational change;
 - ii. Identify the schedule for implementing the physical or operational change;
 - iii. Provide a statement of whether or not any New Source Performance Standard (NSPS) is applicable to the physical or operational change and the reason why the NSPS does or does not apply;
 - iv. Provide emission calculations which demonstrate that the physical or operational change will not result in a modification; and
 - v. Provide a certification that the physical or operational change will not result in emissions greater than authorized under the Conditions of this permit.

8.5 Testing Procedures

Tests conducted to measure composition of materials, efficiency of pollution control devices, emissions from process or control equipment, or other parameters shall be conducted using standard test methods. Documentation of the test date, conditions, methodologies, calculations, and test results shall be retained pursuant to the recordkeeping procedures of this permit. Reports of any tests conducted as required by this permit or as the result of a request by the Illinois EPA shall be submitted as specified in Condition 8.6.

8.6 Reporting Requirements

8.6.1 Monitoring Reports

If monitoring is required by any applicable requirements or conditions of this permit, a report summarizing the required monitoring results, as specified in the conditions of this permit, shall be submitted to the Air Compliance Section of the Illinois EPA every six months as follows [Section 39.5(7)(f) of the Act]:

<u>Monitoring Period</u>	<u>Report Due Date</u>
January - June	September 1
July - December	March 1

All instances of deviations from permit requirements must be clearly identified in such reports. All such reports shall be certified in accordance with Condition 9.9.

8.6.2 Test Notifications

Unless otherwise specified elsewhere in this permit, a written test plan for any test required by this permit shall be submitted to the Illinois EPA for review at least 60 days prior to the testing pursuant to Section 39.5(7)(a) of the Act. The notification shall include at a minimum:

- a. The name and identification of the affected unit(s);
- b. The person(s) who will be performing sampling and analysis and their experience with similar tests;
- c. The specific conditions under which testing will be performed, including a discussion of why these conditions will be representative of maximum emissions and the means by which the operating parameters for the source and any control equipment will be determined;
- d. The specific determination of emissions and operation which are intended to be made, including sampling and monitoring locations;
- e. The test method(s) which will be used, with the specific analysis method, if the method can be used with different analysis methods;
- f. Any minor changes in standard methodology proposed to accommodate the specific circumstances of testing, with justification; and

- g. Any proposed use of an alternative test method, with detailed justification.

8.6.3 Test Reports

Unless otherwise specified elsewhere in this permit, the results of any test required by this permit shall be submitted to the Illinois EPA within 60 days of completion of the testing. The test report shall include at a minimum [Section 39.5(7)(e)(i) of the Act]:

- a. The name and identification of the affected unit(s);
- b. The date and time of the sampling or measurements;
- c. The date any analyses were performed;
- d. The name of the company that performed the tests and/or analyses;
- e. The test and analytical methodologies used;
- f. The results of the tests including raw data, and/or analyses including sample calculations;
- g. The operating conditions at the time of the sampling or measurements; and
- h. The name of any relevant observers present including the testing company's representatives, any Illinois EPA or USEPA representatives, and the representatives of the source.

8.6.4 Reporting Addresses

- a. The following addresses should be utilized for the submittal of reports, notifications, and renewals:
 - i. Illinois EPA - Air Compliance Section
Illinois Environmental Protection Agency
Bureau of Air
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276
 - ii. Illinois EPA - Air Regional Field Office
Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

iii. Illinois EPA - Air Permit Section (MC 11)

Illinois Environmental Protection Agency
Division of Air Pollution Control
Permit Section
P.O. Box 19506
Springfield, Illinois 62794-9506

iv. USEPA Region 5 - Air Branch

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

- b. Unless otherwise specified in the particular provision of this permit, reports shall be sent to the Illinois EPA - Air Compliance Section with a copy sent to the Illinois EPA - Air Regional Field Office.

8.7 Obligation to Comply with Title I Requirements

Any term, condition, or requirement identified in this permit by T1, T1R, or T1N is established or revised pursuant to 35 IAC Part 203 or 40 CFR 52.21 ("Title I provisions") and incorporated into this permit pursuant to both Section 39.5 and Title I provisions. Notwithstanding the expiration date on the first page of this permit, the Title I conditions remain in effect pursuant to Title I provisions until the Illinois EPA deletes or revises them in accordance with Title I procedures.

9.0 STANDARD PERMIT CONDITIONS

9.1 Effect of Permit

9.1.1 The issuance of this permit does not release the Permittee from compliance with State and Federal regulations which are part of the Illinois State Implementation Plan, as well as with other applicable statutes and regulations of the United States or the State of Illinois or applicable ordinances, except as specifically stated in this permit and as allowed by law and rule [Section 39.5(7)(j)(iv) of the Act].

9.1.2 In particular, this permit does not alter or affect the following:

- a. The provisions of Section 303 (emergency powers) of the CAA, including USEPA's authority under that Section;
- b. The liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;
- c. The applicable requirements of the acid rain program consistent with Section 408(a) of the CAA; and
- d. The ability of USEPA to obtain information from a source pursuant to Section 114 (inspections, monitoring, and entry) of the CAA.

9.1.3 Notwithstanding the conditions of this permit specifying compliance practices for applicable requirements, any person (including the Permittee) may also use other credible evidence to establish compliance or noncompliance with applicable requirements.

9.2 General Obligations of Permittee

9.2.1 Duty to Comply

The Permittee must comply with all terms and conditions of this permit. Any permit noncompliance constitutes a violation of the CAA and the Act, and is grounds for any or all of the following: enforcement action, permit termination, revocation and reissuance, modification, or denial of a permit renewal application [Section 39.5(7)(o)(i) of the Act].

The Permittee shall meet applicable requirements that become effective during the permit term in a timely manner unless an alternate schedule for compliance with the applicable requirement is established.

9.2.2 Duty to Maintain Equipment

The Permittee shall maintain all equipment covered under this permit in such a manner that the performance or operation of such equipment shall not cause a violation of applicable requirements.

9.2.3 Duty to Cease Operation

No person shall cause, threaten or allow the continued operation of any emission unit during malfunction or breakdown of the emission unit or related air pollution control equipment if such operation would cause a violation of an applicable emission standard, regulatory requirement, ambient air quality standard or permit limitation unless such malfunction or breakdown is allowed by a permit condition [Section 39.5(6)(c) of the Act].

9.2.4 Disposal Operations

The source shall be operated in such a manner that the disposal of air contaminants collected by the equipment operations, or activities shall not cause a violation of the Act or regulations promulgated thereunder.

9.2.5 Duty to Pay Fees

The Permittee must pay fees to the Illinois EPA consistent with the fee schedule approved pursuant to Section 39.5(18) of the Act, and submit any information relevant thereto [Section 39.5(7)(o)(vi) of the Act]. The check should be payable to "Treasurer, State of Illinois" and sent to: Fiscal Services Section, Illinois Environmental Protection Agency, P.O. Box 19276, Springfield, Illinois, 62794-9276.

9.3 Obligation to Allow Illinois EPA Surveillance

Upon presentation of proper credentials and other documents, the Permittee shall allow the Illinois EPA, or an authorized representative to perform the following [Section 39.5(7)(a) and (p)(ii) of the Act and 415 ILCS 5/4]:

- a. Enter upon the Permittee's premises where an actual or potential emission unit is located; where any regulated equipment, operation, or activity is located or where records must be kept under the conditions of this permit;
- b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;

- c. Inspect during hours of operation any sources, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- d. Sample or monitor any substances or parameters at any location:
 - i. At reasonable times, for the purposes of assuring permit compliance; or
 - ii. As otherwise authorized by the CAA, or the Act.
- e. Obtain and remove samples of any discharge or emission of pollutants authorized by this permit; and
- f. Enter and utilize any photographic, recording, testing, monitoring, or other equipment for the purposes of preserving, testing, monitoring, or recording any activity, discharge or emission at the source authorized by this permit.

9.4 Obligation to Comply With Other Requirements

The issuance of this permit does not release the Permittee from applicable State and Federal laws and regulations, and applicable local ordinances addressing subjects other than air pollution control.

9.5 Liability

9.5.1 Title

This permit shall not be considered as in any manner affecting the title of the premises upon which the permitted source is located.

9.5.2 Liability of Permittee

This permit 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 sources.

9.5.3 Structural Stability

This permit does not take into consideration or attest to the structural stability of any unit or part of the source.

9.5.4 Illinois EPA Liability

This permit 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 source.

9.5.5 Property Rights

This permit does not convey any property rights of any sort, or any exclusive privilege [Section 39.5(7)(o)(iv) of the Act].

9.6 Recordkeeping

9.6.1 Control Equipment Maintenance Records

A maintenance record shall be kept on the premises for each item of air pollution control equipment. As a minimum, this record shall show the dates of performance and nature of preventative maintenance activities.

9.6.2 Records of Changes in Operation

A record shall be kept describing changes made at the source that result in emissions of a regulated air pollutant subject to an applicable requirement, but not otherwise regulated under this permit, and the emissions resulting from those changes [Section 39.5(12)(b)(iv) of the Act].

9.6.3 Retention of Records

- a. Records of all monitoring data and support information shall be retained for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records, original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit [Section 39.5(7)(e)(ii) of the Act].
- b. Other records required by this permit shall be retained for a period of at least 5 years from the date of entry unless a longer period is specified by a particular permit provision.

9.7 Annual Emissions Report

The Permittee shall submit an annual emissions report to the Illinois EPA, Compliance Section no later than May 1 of the following year, as required by 35 IAC Part 254.

9.8 Requirements for Compliance Certification

Pursuant to Section 39.5(7)(p)(v) of the Act, the Permittee shall submit annual compliance certifications. The compliance certifications shall be submitted no later than May 1 or more frequently as specified in the applicable requirements or by

permit condition. The compliance certifications shall be submitted to the Air Compliance Section, Air Regional Field Office, and USEPA Region 5 - Air Branch. The addresses for the submittal of the compliance certifications are provided in Condition 8.6.4 of this permit.

- a. The certification shall include the identification of each term or condition of this permit that is the basis of the certification; the compliance status; whether compliance was continuous or intermittent; the method(s) used for determining the compliance status of the source, both currently and over the reporting period consistent with the conditions of this permit.
- b. All compliance certifications shall be submitted to USEPA Region 5 in Chicago as well as to the Illinois EPA.
- c. All compliance reports required to be submitted shall include a certification in accordance with Condition 9.9.

9.9 Certification

Any document (including reports) required to be submitted by this permit shall contain a certification by a responsible official of the Permittee that meets the requirements of Section 39.5(5) of the Act [Section 39.5(7)(p)(i) of the Act]. An example Certification by a Responsible Official is included as an attachment to this permit.

9.10 Defense to Enforcement Actions

9.10.1 Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit [Section 39.5(7)(o)(ii) of the Act].

9.10.2 Emergency Provision

a. An emergency shall be an affirmative defense to an action brought for noncompliance with the technology-based emission limitations under this permit if the following conditions are met through properly signed, contemporaneous operating logs, or other relevant evidence:

- i. An emergency occurred as provided in Section 39.5(7)(k) of the Act and the Permittee can identify the cause(s) of the emergency. Normally, an act of God such as lightning or flood is considered an emergency;

- ii. The permitted source was at the time being properly operated;
 - iii. The Permittee submitted notice of the emergency to the Illinois EPA within two working days of the time when emission limitations were exceeded due to the emergency. This notice must contain a detailed description of the emergency, any steps taken to mitigate emissions, and corrective actions taken; and
 - iv. During the period of the emergency the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission limitations, standards, or regulations in this permit.
- b. This provision is in addition to any emergency or upset provision contained in any applicable requirement. This provision does not relieve a Permittee of any reporting obligations under existing federal or state laws or regulations.

9.11 Permanent Shutdown

This permit only covers emission units and control equipment while physically present at the indicated source location(s). Unless this permit specifically provides for equipment relocation, this permit is void for the operation or activity of any item of equipment on the date it is removed from the permitted location(s) or permanently shut down. This permit expires if all equipment is removed from the permitted location(s), notwithstanding the expiration date specified on this permit.

9.12 Reopening and Reissuing Permit for Cause

9.12.1 Permit Actions

This permit may be modified, reopened, and reissued, for cause pursuant to Section 39.5(15) of the Act. The filing of a request by the Permittee for a permit modification, revocation, and reissuance, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition [Section 39.5(7) (o) (iii) of the Act].

9.12.2 Reopening and Revision

This permit must be reopened and revised if any of the following occur [Section 39.5(15) (a) of the Act]:

- a. Additional requirements become applicable to the equipment covered by this permit and three or more years remain before expiration of this permit;
- b. Additional requirements become applicable to an affected source for acid deposition under the acid rain program;
- c. The Illinois EPA or USEPA determines that this permit contains a material mistake or inaccurate statement when establishing the emission standards or limitations, or other terms or conditions of this permit; and
- d. The Illinois EPA or USEPA determines that this permit must be revised to ensure compliance with the applicable requirements of the Act.

9.12.3 Inaccurate Application

The Illinois EPA has issued this permit based upon the information submitted by the Permittee in the permit application. Any misinformation, false statement or misrepresentation in the application shall be grounds for revocation under Section 39.5(15) (b) of the Act.

9.12.4 Duty to Provide Information

The Permittee shall furnish to the Illinois EPA, within a reasonable time specified by the Illinois EPA any information that the Illinois EPA may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. Upon request, the Permittee shall also furnish to the Illinois EPA copies of records required to be kept by this permit, or for information claimed to be confidential, the Permittee may furnish such records directly to USEPA along with a claim of confidentiality [Section 39.5(7) (o) (v) of the Act].

9.13 Severability Clause

The provisions of this permit are severable, and should any one or more be determined to be illegal or unenforceable, the validity of the other provisions shall not be affected. The rights and obligations of the Permittee shall be construed and enforced as if this permit did not contain the particular provisions held to be invalid and the applicable requirements underlying these provisions shall remain in force [Section 39.5(7) (i) of the Act].

9.14 Permit Expiration and Renewal

The right to operate terminates on the expiration date unless the Permittee has submitted a timely and complete renewal application. For a renewal to be timely it must be submitted no later than 9 and no sooner than 12 months prior to expiration. The equipment may continue to operate during the renewal period until final action is taken by the Illinois EPA, in accordance with the original permit conditions [Section 39.5(5)(1), (n), and (o) of the Act].

10.0 ATTACHMENTS

10.1 Attachment 1 - Example Certification by a Responsible Official

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature: _____

Name: _____

Official Title: _____

Telephone No.: _____

Date Signed: _____

10.2 Attachment 2 - Guidance

The Illinois has prepared guidance for sources on the Clean Air Act Permit Program (CAAPP) that is available on the Internet site maintained by the Illinois EPA, www.epa.state.il.us. This guidance includes instructions on applying for a revision or renewal of the CAAPP permit.

Guidance On Revising A CAAPP Permit:

www.epa.state.il.us/air/caapp/caapp-revising.pdf

Guidance On Renewing A CAAPP Permit:

www.epa.state.il.us/air/caapp/caapp-renewing.pdf

The application forms prepared by the Illinois EPA for the CAAPP are also available from the Illinois EPA's Internet site:

www.epa.state.il.us/air/caapp/index.html

These CAAPP application forms should also be used by a CAAPP source when it applies for a construction permit. For this purpose, the appropriate CAAPP application forms and other supporting information, should be accompanied by a completed Application For A Construction Permit Form (CAAPP Form-199).

Application For A Construction Permit Form (CAAPP Form-199):

www.epa.state.il.us/air/caapp/199-caapp.pdf

10.3 Attachment 3 - Acid Rain Program Permit

217-782-2113

ACID RAIN PROGRAM
PERMIT

Exelon Generation Company, LLC
Attn: Mr. David L. Stewart, Designated Representative
3901 North Delaware Avenue
Philadelphia, Pennsylvania 19137

Oris No.: 55281
IEPA I.D. No.: 031600GKE
Source/Unit: Southeast Chicago Energy Project/Combustion
Turbine Units 5 through 12
Date Received: February 18, 2005
Date Issued: May 31, 2005
Effective Date: January 1, 2005
Expiration Date: December 31, 2009

STATEMENT OF BASIS:

In accordance with Titles IV and V of the Clean Air Act, the Illinois Environmental Protection Agency is issuing this Acid Rain Program Phase II permit to Exelon Generation Company for its Southeast Chicago Energy Project.

SULFUR DIOXIDE (SO₂) ALLOCATIONS AND NITROGEN OXIDE (NO_x) REQUIREMENTS FOR EACH AFFECTED UNIT:

Combustion Turbine Units 5 through 12	SO ₂ Allowances, Under Tables 2, 3, or 4 of 40 CFR Part 73	2005	2006	2007	2008	2009
		None	None	None	None	None
	Nitrogen Oxide (NO _x) limit	These units are not subject to a NO _x emissions limitation pursuant to 40 CFR Part 76.				

PERMIT APPLICATION: The permit application, which includes SO₂ allowance requirements and other standard requirements, is attached and incorporated as part of this permit. The owners and operators of this source must comply with the standard requirements and special provisions set forth in the application

COMMENTS, NOTES AND JUSTIFICATIONS: This permit contains provisions related to SO₂ emissions and requires the owners and operators to hold SO₂ allowances to account for SO₂ emissions from the affected units. An allowance is a limited authorization to emit up to one ton of SO₂ during or after a specified calendar year. Although this plant is not eligible for an allowance allocated by USEPA, the owners or operators may obtain SO₂ allowances to cover emissions from other sources under a marketable allowance program. The transfer of allowances to and from a unit account does not necessitate a revision to the unit SO₂ allocations denoted in this permit (See 40 CFR 72.84).

This permit contains provisions related to NOx emissions and requires the owners and operators to monitor NOx emissions from affected units in accordance with applicable provisions of 40 CFR Part 75.

This permit does not affect the source's responsibility to meet all other applicable local, state and federal requirements, including state requirements under 35 Ill. Adm. Code Part 217 Subpart W, which addresses NOx emissions from Southeast Chicago Energy Project generation Units 5 through 12.

If you have any questions regarding this permit, please contact Kunj Patel at 217-782-2113.

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

DES:KMP:psj

cc: Cecilia Mijares, USEPA Region V
Harish Narayen, IEPA Region 1

STEP 3

**Read the
standard
requirements**

Permit Requirements

- (1) The designated representative of each affected source and each affected unit at the source shall:
- (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
 - (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
- (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
 - (ii) Have an Acid Rain Permit.

Monitoring Requirements

- (1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.
- (2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements

- (1) The owners and operators of each source and each affected unit at the source shall:
- (i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
 - (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
- (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 - (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
- (4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

STEP 3,
Cont'd.

Nitrogen Oxides Requirements The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements

(1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.

(2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:

- (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
- (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:

- (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
- (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
- (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
- (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

(1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.

(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.

(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

Southeast Chicago Energy Project
Plant Name (from Step 1)

Step 3,
Cont'd.

Liability, Cont'd.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.

(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(2) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;

(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

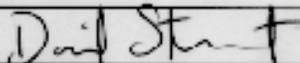
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

STEP 4

Certification

Read the
certification
statement,
sign, and
date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name	David L. Stewart	
Signature		Date
		February 18, 2005

10.4 Attachment 4 - List of Changes to the Revised Permit

The modified permit includes the following changes:

Table of Contents	Identified new Section 7.2 for diesel engines, which were addressed by Construction Permit 01040082, issued on November 7, 2003. Identified this list, Attachment 4.
Section 1.2, 1.3	Updated owner and operator information.
Section 4.0	Added diesel engines to listing of emission units. Revised emission unit designations for the turbines as requested by the applicant.
Condition 5.2.7	Clarified Episode Action Plan requirements.
Condition 5.2.8	Revised the PM10 Contingency Measure Plan conditions as the facility emissions currently do not trigger these requirements.
Condition 5.2.9	Removed the CAM Plan requirements, as emission units do not trigger these requirements.
Condition 5.5.1	Revised the source-wide limits on emissions for purposes of fees, as requested by the source
Condition 5.5.3	Clarified that the permit is based on status of the source being a non major source for the purposes of PSD, MSSCAM, and NESHAP, including insignificant activities.
Condition 5.6.1(b)	Added recordkeeping related to Condition 5.5.3.
Condition 5.7.1(a)	Clarified the general source-wide reporting requirements.
Condition 6.1.2	Revised emission unit designations for the turbines.
Condition 6.1.8(b) (ii) (A)	Clarified the applicable NOx emission rate for purpose of NOx trading program.
Condition 6.3.1	Revised emission unit designations for the turbines.
Condition 7.1.2	Revised emission unit designations for the turbines.
Condition 7.1.3(b)	Clarified the applicable opacity standard.

Condition 7.1.4	Reorganized the non-applicability provisions for clarity. Added non-applicability of continuous emissions monitoring under the federal Acid Rain Program. Added non-applicability of CAM requirements.
Condition 7.1.5(d)	Revised the fuel usage limitation to be consistent with Construction Permit 01040082.
Condition 7.1.5(e) (ii)	Added provisions from Construction Permit 01040082 addressing low-load turbine operation during startup/shutdown and "Black Start".
Condition 7.1.6(a) & (b)	Reorganized for clarity. Added individual HAP emission limitations. Revised annual NOx emission limit consistent with Construction Permit 01040082.
Condition 7.1.6(d)	Added provisions from Construction Permit 01040082 for emission rates during periodic demonstrations of "Black Start" capability.
Condition 7.1.6(e)	Revised to improve clarity.
Condition 7.1.7(a)	Revised to require emission testing upon request.
Condition 7.1.8(b)	Revised to reflect the revisions in the requirements of NSPS, 40 CFR 60, Subpart GG for fuel monitoring for sulfur and nitrogen content.
Condition 7.1.8(c)	Included alternative monitoring provisions for NOx emissions, Low Mass Emissions Excepted Methodology, for the turbines under the federal Acid Rain Program, replacing the previous provisions for gas-fired peaking units.
Condition 7.1.8(d)	Removed previous provisions for NOx monitoring which are replaced by new provisions in Condition 7.1.8(c).
Condition 7.1.9(b)	Clarified sulfur content recordkeeping requirement.
Condition 7.1.9(f)	Added note to clarify the recordkeeping required for individual HAP emissions.
Condition 7.1.9(g)	Reorganized the recordkeeping requirement for opacity exceedances.

	Clarified the recordkeeping requirement for continuous monitoring system.
Condition 7.1.9(h)	Revised the recordkeeping requirements for NOx emissions related to the NOx Trading Program. Removed reporting requirement, which were relocated to Condition 7.1.10(b).
Condition 7.1.10(b) (ii)	Added the reporting requirements of NOx Trading Program previously in Condition 7.1.9(h).
Condition 7.1.12	Clarified compliance procedures.
Section 7.2	Added the new Section for diesel engines, which were addressed by Construction Permit 01040082.