

FINAL DRAFT/PROPOSED CAAPP PERMIT  
Dynergy Midwest Generation, Inc. - Tilton Energy Center  
I.D. No. 183090AAE  
Application No.: 00050017  
October 10, 2002

217/782-2113

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

PERMITTEE

Dynergy Midwest Generation, Inc.  
Attn: Rick Diericx  
2828 North Monroe Street  
Decatur, Illinois 62526-3269

<u>Application No.:</u> 00050017	<u>I.D. No.:</u> 183090AAE
<u>Applicant's Designation:</u>	<u>Date Received:</u> May 5, 2000
<u>Operation of:</u> Power Generating Facility	
<u>Date Issued:</u> TO BE DETERMINED	<u>Expiration Date:</u> DATE
<u>Source Location:</u> 80 West First Street, Tilton, Vermilion County	
<u>Responsible Official:</u> Kris A. Coombs, Plant Manager	

This permit is hereby granted to the above-designated Permittee to OPERATE a power plant peaking station, pursuant to the above referenced permit application. This permit is subject to the conditions contained herein.

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

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

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

DES:KMP:jar

cc: Illinois EPA, FOS, Region 2

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1.0 SOURCE IDENTIFICATION

1.1 Source

Tilton Energy Center  
80 West First Street  
Tilton, Illinois 61833  
217/354-2141

Illinois EPA I.D. No.: 183090AAE  
Office of Regulatory Information System (ORIS) Code: 7760  
Standard Industrial Classification (SIC) Code: 4911, (Electric,  
Gas, and Sanitary  
Services -  
Electric  
Services)

1.2 Owner/Parent Company

Dynergy Midwest Generation, Inc.  
2828 North Monroe Street  
Decatur, Illinois 62526

1.3 Operator

Dynergy Midwest Generation, Inc.  
2828 North Monroe Street  
Decatur, Illinois 62526

Rick Diericx  
217/872-2362

1.4 General Source Description

The Tilton Energy Center is located just north of Interstate I-74 in Tilton, Illinois. The facility operates as a peaking station, generating electric power when sufficient electric power is not available from other sources, due to planned repair and maintenance, unexpected breakdowns, or high levels of electricity demand.

1.5 Source Status under Title I of the Clean Air Act (CAA)

This permit contains terms and conditions to address the applicability and requirements of regulations promulgated under Title I of the CAA to new and modified emission units constructed at the source. Title I of the CAA establishes regulatory programs, such as the federal program for Prevention of Significant Deterioration (PSD), 40 CFR 52.21, that are

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implemented through permits for new and modified sources. These "Title I" terms and conditions are identified in this permit as T1, T1R, or T1N, depending on whether, respectively, they reflect the requirements of the previous Title I permit, they are revisions to such requirements, or they are newly established. These terms and conditions continue in effect as provided by Condition 8.7 of this permit, notwithstanding the expiration date specified on page 1 of this permit, as their authority derives from Title I, as well as from Title V of the CAA.

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2.0 LIST OF ABBREVIATIONS/ACRONYMS USED IN THIS PERMIT

Act	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
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
CO	Carbon Monoxide
HAP	Hazardous Air Pollutant
ft <sup>3</sup>	Cubic Feet
gal	Gallon
hr	hour
IAC	Illinois Administrative Code
I.D. No.	Identification Number of Source, assigned by Illinois EPA
Illinois EPA	Illinois Environmental Protection Agency
kW	Kilowatts
lb	pound
mmBtu	Million British thermal units
mo	month
N/A	Not Applicable
NO <sub>x</sub>	Nitrogen Oxides
NSPS	New Source Performance Standards (40 CFR Part 60)
PM	Particulate Matter
PM <sub>10</sub>	Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 microns as measured by applicable test or monitoring methods
ppmv	parts per million volume
PSD	Prevention of Significant Deterioration
RMP	Risk Management Plan
scf	Standard Cubic feet
SIC	Standard Industrial Code
SO <sub>2</sub>	Sulfur Dioxide
USEPA	United States Environmental Protection Agency
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
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 IEPA to be insignificant activities, pursuant to 35 IAC 201.210(a)(1) and 201.211, as follows:

None

- 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:

Tank used for acid storage, with a total capacity of less than 1,000 gallons

- 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:

- a. Storage tanks of any size containing virgin or re-refined distillate oil, hydrocarbon condensate from natural gas pipeline or storage systems, lubricating oil, or residual fuel oils;
- b. 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;
- c. Storage tanks of any size containing exclusively soaps, detergents, surfactants, glycerin, waxes, vegetable oils, greases, animal fats, sweeteners, corn syrup, aqueous salt solutions, or aqueous caustic solutions, provided an organic solvent has not been mixed with such materials; and
- d. Loading and unloading systems for railcars, tank trucks, or watercraft that handle only the following liquid materials, provided an organic solvent has not been mixed with such materials: soaps, detergents, surfactants, lubricating oils, waxes, glycerin, vegetable oils, greases, animal fats, sweetener, corn syrup, aqueous salt solutions, or aqueous caustic solutions.

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 215.182, 218.182, or 219.182.

3.2.2 For each particulate matter process emission unit that is subject to 35 IAC 212.321 or 212.322, the Permittee shall comply with the applicable particulate matter emission limit based on the unit's process weight rate. 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 215.301, 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.

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- 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	Equipment Identification (Model No.)	Description	Nominal Capacity	Emission Control
1	GT #1 (LM-6000)	Natural Gas Fired Combustion Turbine	44,000 kW	Burner Water Injection
	GT #2 (LM-6000)	Natural Gas Fired Combustion Turbine	44,000 kW	Burner Water Injection
	GT #3 (LM-6000)	Natural Gas Fired Combustion Turbine	44,000 kW	Burner Water Injection
	GT #4 (LM-6000)	Natural Gas Fired Combustion Turbine	44,000 kW	Burner Water Injection

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 nitrogen oxides (NO<sub>x</sub>) emissions for purposes of CAAPP, i.e., a source with the potential to emit 100 tons per year or more of NO<sub>x</sub>.
- 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 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 and/or requirements 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 emissions 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 201.149, 212.123(b) and 212.124.

5.2.3 Ozone Depleting Substances

The Permittee shall comply with the standards for recycling and emissions reduction for 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.

5.2.4 Risk Management Plan

Should this stationary source, as defined in 40 CFR 68.3, become subject to the Accidental Release Prevention regulations in 40 CFR Part 68, then the Permittee shall submit [40 CFR 68.215(a)(2)(i) and (ii)]:

- 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 requirements of 40 CFR Part 68, including the registration and submission of the Risk Management Plan (RMP), as part of the annual compliance certification required Condition 9.8

5.2.5 Episode Action Plan

- a. If the source is required to have an episode action plan pursuant to 35 IAC 244.142, the Permittee shall maintain at the source and have on file with the Illinois EPA 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. The Permittee shall immediately implement the appropriate steps described in this plan should an air pollution alert or emergency be declared.
- c. If a change occurs at the source which requires a revision of the plan (e.g., operational change, change in the source contact person), a copy of the revised plan shall be submitted to the Illinois EPA for review within 30 days of the change. Such plans shall be further revised if disapproved by the Illinois EPA.
- d. For sources required to have a plan pursuant to 35 IAC 244.142, a copy of the original plan and any subsequent revisions shall be sent to:

Illinois Environmental Protection Agency  
Compliance Section

#### 5.2.6 Future Applicable Regulations

Should this stationary source become subject to a regulation under 40 CFR Part 63 after the date issued of this permit, then the Permittee 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.

#### 5.3 Non-Applicability of Regulations of Concern

- a. This permit is issued based on the source not being subject to substantive requirements of 40 CFR Part 64, Compliance Assurance Monitoring for Major Stationary Sources, because continuous emission monitoring must be used on the turbines to determine compliance with NO<sub>x</sub> emission limitations. In this regard, although the turbines constitute pollutant-specific emissions units for emissions of NO<sub>x</sub> pursuant to 40 CFR 64.25(a), they are exempt from further requirements of 40 CFR Part 64 because a continuous compliance determination method is required for NO<sub>x</sub>, subject to certain control requirements and emission monitoring requirements Pursuant to 40 CFR Parts 72, 73, and 75, under the Acid Rain Deposition Control Program pursuant to Title IV of the Clean Air Act. [40 CFR 64.2(b)(1)(iii)]

- b. This permit is issued based on this source not being a major source for purposes of the federal rules for Prevention of Significant Deterioration of Air Quality (PSD), 40 CFR 52.21. As a result, the construction of the source in 1999 pursuant to Construction Permit 98110018 was not subject to PSD. Appropriate conditions restricting the operation and emission of the source are contained in Section 7.1 of this permit, which addresses the gas turbines installed in 1999, which are the principle emission units at the source.

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 all emission unit emissions. 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)	10
Sulfur Dioxide (SO <sub>2</sub> )	10
Particulate Matter (PM)	10
Nitrogen Oxides (NO <sub>x</sub> )	197
Total	227

5.5.2 Emissions of Hazardous Air Pollutants (HAPs)

The emissions of HAPs as listed in Section 112(b) of the Clean Air Act shall not equal or exceed 10 tons/year of a single HAP or 25 tons per year of any combination of such HAPs, or such lesser quantity as USEPA may establish by

regulation so that this source is considered a minor source for HAPs.

5.5.3 Other Source-Wide Emission Limitations

Other source-wide emission limitations are not set for this source pursuant to either the federal rules for Prevention of Significant Deterioration (PSD), 40 CFR 52.21, or Section 502(b)(10) of the CAA.

5.6 General Source-Wide Recordkeeping Requirements

5.6.1 Emissions Records

The Permittee shall maintain records of the following items for the source as needed to demonstrate compliance with Condition 5.5, pursuant to Section 39.5(7)(b) of the Act:

- a. Total annual emissions of VOM, SO<sub>2</sub>, PM, NO<sub>x</sub>, and CO on a calendar year basis for the emission units covered by Section 7 (Unit Specific Conditions) of this permit, with supporting calculations.
- b. If total annual VOM emissions are 10 tons or greater, records of total annual emissions of HAP that are sufficient to address compliance with Condition 5.5.2, with supporting calculations and documentation.

5.6.2 Retention and Availability of Records

- a. All records and logs required by this permit shall be retained for at least 5 years from the date of entry (unless a longer retention period is specified by the particular recordkeeping provision), 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 required to be retained that are kept 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 Annual Emissions Report

The annual emissions report required pursuant to Condition 9.7 shall contain emissions information for the previous calendar year, including information on emissions of hazardous air pollutants as specified by 35 IAC Part 254.

5.8 General Operational Flexibility/Anticipated Operating Scenarios

None

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 Compliance Procedures in Section 5 and 7 (Unit Specific Conditions) of this permit.

5.9.2 General Procedures for Fugitive PM Emissions

Compliance procedures are not set in this permit for Condition 5.2.2(a) as compliance is presumed to be assured by the inherent nature of operations at this source, as demonstrated by historical operation.

6.0 NO<sub>x</sub> TRADING PROGRAMM

6.1 NO<sub>x</sub> Trading Program

6.1.1 Description of NO<sub>x</sub> Trading Program

The NO<sub>x</sub> Trading Program is a regional "cap and trade" market system for large sources of NO<sub>x</sub> emissions in the eastern United States, including Illinois. It is designed to reduce and maintain NO<sub>x</sub> 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 NO<sub>x</sub> Trading Program applies in addition to other applicable requirements for NO<sub>x</sub> emissions and in no way relaxes these other requirements.

Electrical generating units (EGU) that are subject to the NO<sub>x</sub> Trading Program are referred to as "budget EGU." Sources that have one or more EGU or other units subject to the NO<sub>x</sub> Trading Program are referred to as budget sources.

The NO<sub>x</sub> Trading Program controls NO<sub>x</sub> 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 NO<sub>x</sub> 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 "NO<sub>x</sub> allowances" for the actual NO<sub>x</sub> emissions of its budget units during the preceding control period. The USEPA will then retire NO<sub>x</sub> 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 NO<sub>x</sub> emissions are accurately determined.

The number of NO<sub>x</sub> allowances available for budget sources is set by the overall budget for NO<sub>x</sub> emissions established by USEPA. This budget requires a substantial reduction in NO<sub>x</sub> emissions from historical levels as necessary to meet air quality goals. In Illinois, existing budget sources

initially receive their allocation or share of the NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> allowances as described above, budget sources may transfer NO<sub>x</sub> 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 NO<sub>x</sub> emissions from budget units to comply with the overall NO<sub>x</sub> budget. In particular, the NO<sub>x</sub> 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 NO<sub>x</sub> allowances from those units that can be transferred to other units at which it is more difficult to control NO<sub>x</sub> 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 NO<sub>x</sub> Trading Program with assistance from affected states. Illinois' rules for the NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> Trading Program, and which an individual state must follow to allow for interstate trading of allowances.

Note: This narrative description of the NO<sub>x</sub> 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 NO<sub>x</sub> 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.

GT #1 through 4

- 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 NO<sub>x</sub> Trading Program

- a. This source and the budget EGU at this source shall comply with all applicable requirements of Illinois' NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> 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 EGU's compliance account or the source's overdraft account in an amount that shall not be less than the budget EGU's total tons of NO<sub>x</sub> 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., NO<sub>x</sub> emissions in excess of the number of NO<sub>x</sub> 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 NO<sub>x</sub> emitted in excess of the number of NO<sub>x</sub> 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 NO<sub>x</sub> Trading Program is a limited authorization to emit one ton of NO<sub>x</sub> in accordance with the NO<sub>x</sub> Trading Program. As explained by 35 IAC 217.756(d)(6), no provisions of the NO<sub>x</sub> 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 NO<sub>x</sub> 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).
- 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 NO<sub>x</sub> 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 NO<sub>x</sub> Trading Program or documents necessary to demonstrate compliance with requirements of the NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> allowances for these budget EGU as provided in 35 IAC 217.764. For example, for 2007, the allocation of NO<sub>x</sub> 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 NO<sub>x</sub> allowances for these budget EGU, calculated as the product of the applicable NO<sub>x</sub> emissions rate and heat input as follows, shall be the basis for determining the allocation of NO<sub>x</sub> allowances to these EGU:
  - A. As provided by 35 IAC 217.762(a)(2), the applicable NO<sub>x</sub> emission rate for these EGU is 0.090 lb/mmBtu. This is the permitted emission rate for these EGU as contained in Construction Permit 98110018, pursuant to which the EGU were constructed. The permitted emission rate is the applicable rate because it is between 0.15 lb/mmBtu and 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 NO<sub>x</sub> 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 NO<sub>x</sub> 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 NO<sub>x</sub> allowances, the NO<sub>x</sub> 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 EGU's 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)

- a. The Permittee did not request NO<sub>x</sub> allowances for the budget EGU identified in Condition 6.1.2(a) for early reductions in its NO<sub>x</sub> emissions in the 2001 control period in accordance with 35 IAC 217.770.
- b.
  - i. The Permittee may pursue NO<sub>x</sub> allowances for early reductions in NO<sub>x</sub> emissions, i.e., reductions made during the 2002 and 2003 control period, as provided by 35 IAC 217.770.
  - ii. For the purpose of any such request, the NO<sub>x</sub> emissions must have been reduced by at least 30 percent less than the permitted emission rate of these EGU as specified in Condition 6.1.8(b)(ii), pursuant to 35 IAC 217.770(c)(1).

6.1.11 Budget Permit Required by the NO<sub>x</sub> Trading Program

- a. For this source, this segment of the CAAPP Permit, i.e., Section 6.1, is the Budget Permit required by the NO<sub>x</sub> Trading Program and is intended to contain federally enforceable conditions addressing all applicable NO<sub>x</sub> 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).

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- 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 NO<sub>x</sub> 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 NO<sub>x</sub> Trading Program, the application shall contain the information specified by 35 IAC 217.758(b)(2).

6.2 Acid Rain Program

6.2.1 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:

GT #1 through 4

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.

6.2.2 Applicable Emission Requirements

The owners and operators of the source shall not violate applicable Title IV provisions. In particular, SO<sub>2</sub> 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)(l) of the Act]

Note: Affected sources must hold SO<sub>2</sub> allowances to account for the SO<sub>2</sub> 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 SO<sub>2</sub> 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.

6.2.3 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<sub>x</sub>: Continuous Emissions Monitoring (40 CFR 75.12)

6.2.4 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.

6.2.5 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 Group 1: Natural Gas Fired Gas Turbines

7.1.1 Description

The Permittee operates gas turbines for electric generation that are only fired with natural gas. The turbines are used for peak electric generation or emergency electric generation. In addition to actual operation to generate electricity, each turbine may have to be periodically "exercised" to confirm the turbine will operate when needed to generate electricity. The turbines were installed pursuant to Construction Permit 98110018.

7.1.2 List of Emission Equipment and Pollution Control Equipment

Emission Unit	Description	Unit Designation (Model No.)	Nominal Capacity kW	Year Constructed	Emission Control
1	Combustion Turbines Fired with Natural Gas Only	GT #1 (GE LM-6000)	44,000	1999	Burner Water Injection
		GT #2 (GE LM-6000)	44,000	1999	Burner Water Injection
		GT #3 (GE LM-6000)	44,000	1999	Burner Water Injection
		GT #4 (GE LM-6000)	44,000	1999	Burner Water Injection

7.1.3 Applicable Provisions

- a. The "affected turbines" for the purpose of these unit specific conditions are gas turbines that are only fired with natural gas. As of the "date issued" as shown on page 1 of this permit, the affected turbines are identified in Condition 7.1.2.
- b. Each affected turbine is subject to the New Source Performance Standard (NSPS) for Stationary Gas Turbines, 40 CFR 60, Subpart A and GG. The Illinois EPA is administrating NSPS in Illinois on behalf of the United States EPA under a delegation agreement. Pursuant to the NSPS.
  - i. Each affected turbine shall not emit any gases that contain nitrogen oxides (NO<sub>x</sub>) in excess

of the following equation, pursuant to 40 CFR 60.332 (a)(1), except as allowed by 40 CFR 60.8(c) and 60.332(f):

$$\text{STD} = 0.0075(14.4/Y)$$

Where:

STD = Allowable NO<sub>x</sub> emission (percent by volume at 15 percent oxygen and on a dry basis).

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

- ii. Each affected turbine shall not emit any gases that contain sulfur dioxide in excess of 0.015 percent by volume at 15 percent oxygen and on a dry basis, or the affected turbine shall not burn any fuel which contains sulfur in excess of 0.8 percent by weight, pursuant to 40 CFR 60.333 (a) and (b).
- c. Each affected turbine is subject to the emission standards identified in Condition 5.2.2.
- d. Startup, Malfunction, and Shutdown Provisions

The Permittee is authorized to operate the affected turbines in violation of the applicable limit of condition 5.2.2(b) (i.e., 35 IAC 212.123) during startup, malfunction, and shutdown pursuant to 35 IAC 201.149 and 201.262, provided that the Permittee shall take all reasonable efforts to minimize emissions, duration, and frequency of an individual startup, malfunction, and shutdown event. This authorization is subject to the following:

- i. For startup, this authorization only extends for a period of up to two-hours following initial firing of fuel during each startup event.

- ii. The Permittee shall operate affected turbines in a manner consistent with good air pollution control to minimize emissions during startup, malfunction, and shutdown emissions including:
  - A. Operation in accordance with written procedures developed and maintained by the Permittee that shall include at a minimum the following measures:
    - 1. Review of operating parameters of the unit during startup, malfunction, and shutdown as necessary to make adjustments to reduce or eliminate excess emissions;
    - 2. Operation of the water injection system as soon as and as long as the unit operating conditions are amenable to its effective use.
  - B. Maintenance of the water injection system in accordance with written procedures developed and maintained by the Permittee.
  - C. These procedures shall be reviewed at least annually and updated if needed.
- iii. A. Upon malfunction/breakdown of the water injection system that will result in NO<sub>x</sub> emissions in excess of the applicable limit in Condition 7.1.6(a), the Permittee shall as soon as practicable repair the affected system or remove the affected turbine unit from service so that excess emissions cease.
- B. Consistent with the above, if the Permittee has maintained and operated the affected turbine and water injection system, so that malfunctions are sudden, infrequent, not caused by poor maintenance or careless operation, and in general are not reasonably preventable, the Permittee shall begin shutdown of the affected turbine within 90 minutes,

unless the malfunction is expected to be repaired in 120 minutes or such shutdown could threaten the stability of the regional electrical power system. In such case, shutdown of the affected turbine shall be undertaken when it is apparent that repair will not be accomplished within 120 minutes or shutdown would not endanger the regional power system. In no case shall shutdown of an affected turbine be delayed solely for the economic benefit of the Permittee.

- C. Notwithstanding the above, if the Permittee determines that the NO<sub>x</sub> continuous emission monitoring system (CEMS) is inaccurately reporting excess NO<sub>x</sub> emissions, the Permittee may continue operation provided the Permittee records the information it is relying upon to conclude that the affected turbine is functioning properly and the CEMS is reporting inaccurate data and the Permittee takes prompt action to resolve the accuracy of the CEMS.
- e. Under the federal Acid Rain Deposition Control Program pursuant to Title IV of the Clean Air Act, the affected turbines are subject to certain emissions monitoring requirements pursuant to 40 CFR Parts 72, 73 and 75, as set forth in the Acid Rain Permit for the affected turbines. The copy of the Permittee's current Acid Rain Permit is included as Attachment 3 to this permit.

#### 7.1.4 Future Emission Standards and requirements

- a. Beginning in 2003, the NO<sub>x</sub> emissions from each affected turbine during each ozone control period shall not exceed 0.25 lb/mmBtu, as averaged for the period (35 IAC 217.706). Compliance with this standard may not be shown by NO<sub>x</sub> averaging with other electrical generating units (EGU), as the affected turbines are not listed in Appendix F of 35 IAC Part 217 (35 IAC 217.708).
- b. Beginning in 2003, the Permittee must also comply with the record keeping and reporting requirements of

40 CFR Part 75 applicable to NO<sub>x</sub> emissions during the ozone control period, including but not limited to 40 CFR 75.54(b) and (d) pursuant to 35 IAC 217.712, as well as pursuant to its Acid Rain Permit and Condition 7.1.10.

- c. Beginning in 2003 by no later than November 30 of each year, the Permittee shall submit a report to the Illinois EPA that demonstrates that each affected turbines has complied with Condition 7.1.4(a). 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). [35 IAC 217.712(c) and (d)]
- d. Beginning in 2003, the Permittee must keep and maintain all records and data necessary to demonstrate compliance with the applicable requirements of 35 IAC 217.706, 217.710, and 217.712 for a period of 5 years and upon request make such records and data available to Illinois EPA and USAEPA representative for inspection and copying. The Permittee shall submit copies of any such records and data to the Illinois EPA within 30 days after receipt of a written request from the Illinois EPA [35 IAC 217.712(f) and (g)].

#### 7.1.5 Non-Applicability of Regulations of Concern

This permit is issued based on affected turbines not being subject to the requirements of 35 IAC 212.321 because a process weight rate weight cannot be set for the turbines so that this rule can reasonably be applied.

#### 7.1.6 Operational and Production Limits and Work Practices

- a. Each affected turbine shall be equipped, operated, and maintained with water injection system in the combustors. [T1]
- b.
  - i. Natural gas shall only be the fuel fired in each affected turbine. [T1]
  - ii. Combined total usage of natural gas for all affected turbines (GT #1, #2, #3, and #4) shall not be more than 4,250 million ft<sup>3</sup> per year. Compliance with this limit shall be determined from a running total of 12 months of data. [T1]

- c. At all times, the Permittee shall maintain and operate the turbines in a manner consistent with good air pollution control practice for minimizing emissions, pursuant to the NSPS, 40 CFR 60.11(d).
- d. The opacity and operation of the turbine shall be observed by operating personnel for the turbine or a member of the Permittee's environmental staff on a regular basis to assure that the turbine is operating properly, which observations shall be made on at least a semi-annual basis.

7.1.7 Emission Limitations

Other than the source wide emission limitations in Conditions 5.5.1 and 7.1.3, the affected engines are not subject to any specific emission limitations.

- a. Hourly emissions from each turbine shall not exceed the following limits, except when ice fog is deemed a traffic hazard by the Permittee[T1]:

Nitrogen Oxides <u>(Lb/Hr)</u>	Carbon Monoxide <u>(Lb/Hr)</u>	Particulate Matter/ PM <sub>10</sub> <u>(Lb/Hr)</u>	Sulfur Dioxide <u>(Lb/Hr)</u>	Volatile Organic Material <u>(Lb/Hr)</u>
50	63	1.0	1.0	1.5

These limits are based on the information provided in the permit application.

- b. i. The annual emissions from the facility shall not exceed the following limitations. Compliance with the annual limitations shall be determined from a running total of 12 months of data.

<u>Pollutant</u>	<u>Emissions (Tons/Yr)</u>
NO <sub>x</sub>	197
CO	192
PM <sub>10</sub>	10
SO <sub>2</sub>	10
VOM	10

- ii. For purpose of determining compliance with the above limits, emissions of NO<sub>x</sub> and CO during an hour that includes a startup shall be assumed to 20 percent higher than the limits

in Condition 7.1.7(a), e.g., 60 lb/hr rather than 50 lb/hr NO<sub>x</sub>, unless an alternative determination of startup emissions is approved by the Illinois EPA in a subsequent permit.

The above limits are established pursuant to 40 CFR 52.21, the federal rules for Prevention of Significant Deterioration of Air Quality (PSD). These limits ensure that the construction and operation of the turbines do not constitute a new major source pursuant to PSD.

#### 7.1.8 Testing Requirements

- a. Within 45 calendar days of the written request, or the date affected turbine next operates, or the date agreed upon by the Illinois EPA, whichever is later, the Permittee shall have the opacity of an affected turbine determined by a certified observer in accordance with USEPA Test Method 9 during representative operating conditions of the turbine as specified by the Illinois EPA. The Illinois EPA may require such observations if, based on its observations the turbine opacity does not comply with Condition 5.2.2(b) (35 IAC 212.123) or the affected turbine is poorly maintained or operated so as to make compliance with Condition 5.2.2(b) uncertain.
  - i. The Permittee shall notify the Illinois EPA at least 7 days in advance of the date and time of observations, in order to allow the Illinois EPA to witness the observations. This notification shall include the name and employer of the certified observer(s) and identify any concerns for successful completion of observations, i.e., lack of suitable point for proper observation or inability to conduct observations under specified conditions;
  - ii. The Permittee shall promptly notify the Illinois EPA of any changes in the date and time of observation; and
  - iii. The Permittee shall provide a copy of its observers readings to the Illinois EPA at the time of observations, if Illinois EPA personnel are present at the conclusion of observations.

- iv. The Permittee shall submit a written report for these observations within 15 days of the date of observation. This report shall include:
  - A. Date, place, and time of observations;
  - B. Name and employer of certified observer;
  - C. Copy of current certification;
  - D. Description of observation conditions;
  - E. Description of turbine operating conditions;
  - F. Raw data;
  - G. Opacity determination; and
  - H. Conclusion.
  
- b. i. Within 90 days of a written request from the Illinois EPA, the nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), and oxygen (O<sub>2</sub>) concentrations in the exhaust of the affected turbines shall be measured by an approved independent testing service to determine compliance with applicable NO<sub>x</sub> and CO limits in the following manner:
  - A. The methods specified by 40 CFR 60.335(c) as follows shall be used for testing of NO<sub>x</sub> emissions unless alternative test procedures are approved by USEPA pursuant to 40 CFR 60.8:
    - o The NO<sub>x</sub> emission rate shall be computed for each run using the equation in 40 CFR 60.335(c)(1).
    - o Method 20 of 40 CFR 60, Appendix A, shall be used to determine the NO<sub>x</sub> and O<sub>2</sub> concentrations. The span values shall be 300 ppm of NO<sub>x</sub> and 21 percent O<sub>2</sub>, pursuant to 40 CFR 60.335(c)(3).



such notifications if it interferes with the Illinois EPA's ability to observe the testing.

- iv. The Final Report for these tests shall be submitted to the Illinois EPA within 60 days after the date of the tests. The Final Report shall include as a minimum:
  - A. A summary of results.
  - B. General information.
  - C. Description of test method(s), including description of sampling points, sampling train, analysis equipment, and test schedule.
  - D. Detailed description of test conditions, including Fuel consumption (standard ft<sup>3</sup>), Firing rate (million Btu/hr); and Turbine/Generator output rate (MW).
  - E. Data and calculations, including copies of all raw data sheets and records of laboratory analyses, sample calculations, and data on equipment calibration.

#### 7.1.9 Monitoring Requirements

- a. Each affected turbine shall be equipped, operated, and maintained with a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine, pursuant to 40 CFR 60.334(a). This system shall be accurate within ± 5.0 percent.
- b.
  - i. The Permittee shall monitor sulfur content of the gas fired in the turbines pursuant to the applicable provisions in 40 CFR Part 75, Appendix D, Section 2.3 for pipeline natural gas combustion.
  - ii. Monitoring of fuel nitrogen content is not required, as natural gas is the only fuel fired in the affected turbines.
  - iii. The above provisions establish a custom schedule for determination of sulfur content and nitrogen content of fuel, subject to case-

specific approval by USEPA pursuant to 40 CFR 60.13(i), in which approval from USEPA may establish additional requirements upon the Permittee for sampling and analysis of fuel. If USEPA does not approve a custom schedule for the affected turbines, the Permittee shall also sample and analyze for sulfur and nitrogen content of the natural gas being fired in the affected turbines in accordance with 40 CFR 60.334(b).

- c. i. To demonstrate compliance with the NO<sub>x</sub> limits of this permit, the Permittee shall install, operate, and maintain a Continuous Emissions Monitoring (CEM) system on each affected gas combustion turbine system to measure emissions of NO<sub>x</sub>. The applicable procedures under 40 CFR 60.13, 60.47a(c) and 75.12 shall be followed for the installation, evaluation, and operation of this NO<sub>x</sub> CEM system.
- ii. These monitoring systems shall be operated and collect data in accordance with the applicable provisions of the Acid Rain Program.
- iii. Notwithstanding the above conditions of the permit specifying monitoring practices, other credible evidence may be used to establish compliance or noncompliance with applicable emission limits.

#### 7.1.10 Recordkeeping Requirements

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

- a. Operating Records:
  - i. The sulfur content of the natural gas used to fire affected turbines in accordance with condition 7.1.8(b);
  - ii. Heat content of the natural gas (Btu/ft<sup>3</sup>) used to fire each affected turbine, with supporting documentation, on a quarterly basis;
  - iii. Natural gas consumption for each affected turbine (ft<sup>3</sup>/day and ft<sup>3</sup>/month);

- iv. Operating hours for each affected turbine (hrs/day and hrs/month).
- b. Emission Records:
- i. NO<sub>x</sub> emissions (lb/mmBtu) from each affected turbine recorded hourly by combining the NO<sub>x</sub> concentration (in ppm) and diluents concentration (in percent O<sub>2</sub> or CO<sub>2</sub>) measurements according to the procedures in 40 CFR 75, Appendix F;
  - ii. Opacity measurements for each affected turbine, which shall include the name of observer, date and time of measurements, measured opacity and raw data;
  - iii. The running 12-month total emissions of NO<sub>x</sub>, SO<sub>2</sub>, PM, CO, and VOM on a monthly basis, with supporting calculations.
- c. Excess Emissions Records:

The Permittee shall keep the records to identify the following events, accompanied by a description of the event:

- i. Any period during which a continuous monitoring system or a CEM system was not operational, with explanation, including steps taken to make it operational as soon as possible;
- ii. Any daily period during which the sulfur content of the fuel being fired in the affected gas turbine exceeds 0.8 percent;
- iii. Any period when the affected turbine is in operation during which ice fog was deemed to be a traffic hazard. For each period the ambient conditions existing during the period, the date and time the air pollution control system was deactivated, and the date and time the air pollution control system was reactivated shall be recorded.
- iv. Any day in which emissions from an affected turbine exceeded applicable standard or limit.

d. Records for Startup, Malfunction or Breakdown, and Shutdown

The Permittee shall maintain the following records, related to Startup, Malfunction or Breakdown, and Shutdown pursuant to Section 39.5(7)(b) of the Act for each affected turbine, which at a minimum shall include:

- i. The time and date of startup, malfunction or breakdown and shutdown of affected turbine and confirmation that standard practices were followed.
- ii. Each incident when operation of the affected turbine continued during malfunction or breakdown with excess emissions, including the following information:
  - A. Date and duration of malfunction or breakdown;
  - B. A description of the malfunction or breakdown;
  - C. A description of the excess emissions;
  - D. The reason for why continued operation was necessary, including supporting documentation;
  - E. The corrective actions taken to reduce the quantity of emissions and the duration of the incident.

e. Records of Maintenance/Repair Activities

An inspection maintenance and repair log for each affected turbine and water injection control system on each turbine, listing each activity performed with date.

7.1.11 Reporting Requirements

a. Notifications

The Permittee shall promptly notify the Illinois EPA, of deviations of an affected turbine with the permit

requirements and emission limit as follows pursuant to Section 39.5(7)(f)(ii) of the Act:

- i. Notification within 60 days of operation of affected turbine that may not have been compliance with the opacity limitations in Condition 5.2.2(b), other than during startup as determined from the records required by Condition 7.1.10(b), with a copy of such record for each incident; and
- ii. Within 30 days of any other exceedance of the requirements of this permit, as determined by the records required by the conditions 5.6 and 7.1.10, a report including the emissions released in accordance with the recordkeeping requirements, a copy of relevant records, and a description of the exceedance or violation and steps taken to reduce emissions and future occurrences.

#### 7.1.12 Operational Flexibility/ Anticipated Operating Scenarios

The Permittee is authorized to make the following physical or operational change with respect to affected engines without prior notification to the IEPA or revision of this permit. This condition does not affect the Permittee's obligation to operate in compliance with applicable requirements and to properly obtain a construction permit in a timely manner for any activity constituting construction or modification of the source, as defined in 35 IAC 201.102:

None

#### 7.1.13 Compliance Procedures

Compliance with emission limits specified in Conditions 5.5.1 and 7.1.7(b) for the affected turbines for pollutants other than NO<sub>x</sub> shall be based on the recordkeeping requirements in Condition 7.1.10 and appropriate hourly emission rates, e.g., the hourly emission rates listed in Condition 7.1.7(a) providing that the affected turbine is properly operated.

Compliance with NO<sub>x</sub> emission limitations shall be determined by continuous emission monitoring in accordance with Condition 7.1.9(c).

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 as of the date the proposed permit for this source was issued. This shield is granted based on the Illinois EPA's review of the permit application for this source and its determination that all applicable requirements are specifically identified in this permit. If the Illinois EPA, in acting on this permit application, has determined that other requirements specifically identified are not applicable to the source, the Illinois EPA's written determination (or a concise summary thereof) is included in this permit.

This permit shield does not extend to applicable requirements which are promulgated after \_\_\_\_\_{insert public notice draft date} (the date of issuance of the draft permit) unless the 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. 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, or 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]

As of the date of issuance of this permit, there are no such economic incentive, marketable permit or emission trading programs that have been approved by USEPA.

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 process, emissions, or composition 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 Excess Emissions Monitoring Reports

A report summarizing required recordkeeping 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 the permit, a written test plan for any test required by this permit shall be submitted to the Illinois EPA for review at least 30 days prior 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;
- g. Any proposed use on an alternative test method, with detailed justification; and

#### 8.6.3 Test Reports

Unless otherwise specified elsewhere in the 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:

- 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 and notifications.
  - i. Illinois EPA - Air Compliance Unit  
  
Illinois Environmental Protection Agency  
Division of Air Pollution Control  
Compliance Section (#40)  
P.O. Box 19276  
Springfield, Illinois 62794-9276
  - ii. IEPA - Air Regional Office  
  
Illinois Environmental Protection Agency  
Division of Air Pollution Control  
2009 Mall Street  
Collinsville, Illinois 62234
  - iii. Illinois EPA - Air Permit Section  
  
Illinois Environmental Protection Agency  
Divisions of Air Pollution Control  
Permit Section (MC 11)  
P.O. Box 19506  
Springfield, Illinois 62794-9506
  - iv. USEPA Region 5 - Air Branch  
  
USEPA (AE - 17J)  
Air and Radiation Division  
77 West Jackson Boulevard  
Chicago, Illinois 60604
- b. Unless otherwise specified in the particular provision of this permit or applicable rules, reports shall be sent to the Illinois EPA - Air Compliance Unit with a copy sent to the Illinois EPA - Air Regional 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 title I provisions and is included in this permit pursuant to both Section 39.5 of the Act and Title I provisions of the CAA. 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 the 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 Clean Air Act, 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 Clean Air Act; and
- d. The ability of USEPA to obtain information from a source pursuant to Section 114 (inspections, monitoring, and entry) of the Clean Air Act.

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 the permit. Any permit noncompliance constitutes a violation of the Clean Air Act 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 Environmental Protection 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)] 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)(p)(ii) of Act]:

- 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 the permit;
- b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit;
- c. Inspect during hours of operation any sources, equipment (including monitoring and air pollution control equipment), practices, operations regulated or required under the 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 this Act.
- e. Obtain and remove samples of any discharge or emission of pollutants; 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.

#### 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

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

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.

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 the 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](http://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](http://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](http://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](http://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, which is available at: [www.epa.state.il.us/air/caapp/199-caapp.pdf](http://www.epa.state.il.us/air/caapp/199-caapp.pdf)

FINAL DRAFT/PROPOSED CAAPP PERMIT  
 Dynegy Midwest Generation, Inc. - Tilton Energy Center  
 I.D. No. 183090AAE  
 Application No.: 00050017  
 October 10, 2002

10.3 Attachment 3

(ORIGINAL SIGNED BY DONALD E. SUTTON)

217-782-2113

CERTIFIED MAIL

**ACID RAIN PROGRAM  
 PHASE II PERMIT**

Illinois Power Company, MS-47  
 Attn: Mr. Jene L. Robinson, Designated Representative  
 500 South 27th street  
 P.O. Box 511  
 Decatur, Illinois 62525

Oris No.: 7760  
IEPA I.D. No.: 183090AAE  
Source/Unit: Tilton Energy Center/GT's 1 thru' 4 at Tilton  
Date Received: November 30, 1998  
Date Issued: December 13, 1999  
Effective Date: January 1, 2000  
Expiration Date: December 31, 2004

**STATEMENT OF BASIS:**

In accordance with Section 39.5(17)(b), Title IV; Acid Rain Provisions, of the Illinois Environmental Protection Act [415 ILCS 5/1 et Seq.] and Titles IV and V of the Clean Air Act, the Illinois Environmental Protection Agency is issuing this Acid Rain Program Phase II permit for the Tilton Energy Center.

**SULFUR DIOXIDE (SO<sub>2</sub>) ALLOCATIONS AND NITROGEN OXIDE (NO<sub>x</sub>) REQUIREMENTS FOR EACH AFFECTED UNIT:**

		2000	2001	2002	2003	2004
Units 1 thru 4	SO <sub>2</sub> Allowances, Under Tables 2, 3, or 4 of 40 CFR Part 73	N/A	N/A	N/A	N/A	N/A
	NO <sub>x</sub> limit	These units are not subject to a NO <sub>x</sub> emissions limitation under 40 CFR part 76.				

The construction permit No. 98110018 issued by Illinois EPA contains provisions related to sulfur dioxide (SO<sub>2</sub>) emissions. The acid rain permit also contains provisions related to sulfur dioxide (SO<sub>2</sub>) emissions and requires the owners and operators to hold SO<sub>2</sub> allowances to account for SO<sub>2</sub> emissions beginning in

FINAL DRAFT/PROPOSED CAAPP PERMIT  
Dynergy Midwest Generation, Inc. - Tilton Energy Center  
I.D. No. 183090AAE  
Application No.: 00050017  
October 10, 2002

the year 2000. An allowance is a limited authorization to emit up to one ton of SO<sub>2</sub> during or after a specified calendar year. Although this plant was not eligible for an allowance allocated by USEPA, the owners or operators may obtain SO<sub>2</sub> allowances to cover emissions from other sources under a marketable allowance program.

The number of allowances actually held by an affected source in a unit account may differ from the number allocated by USEPA. The transfer of allowances to and from a unit account does not necessitate a revision to the unit SO<sub>2</sub> allocations denoted in this permit (See 40 CFR 72.84).

**COMMENTS, NOTES AND JUSTIFICATIONS:**

This permit does not affect the Tilton Energy Center's responsibility to meet all other applicable local, state, and federal requirements, including requirements addressing NO<sub>x</sub> emissions.

**PERMIT APPLICATION:** The SO<sub>2</sub> allowance requirements and other standard requirements are 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.

If you have any questions regarding this permit, please contact Shashi Shah at 217-782-7395.

ORIGINAL SIGNED BY DONALED E. SUTTON

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

cc: Cecilia Mijares, USEPA Region V  
John Justice, IEPA Region 3

KMP:psj



United States  
 Environmental Protection Agency  
 Acid Rain Program

OMB No. 2060-0258  
 Expires 1-31-96

## Phase II Permit Application

Page 1

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is:  New     Revised

**STEP 1**  
 Identify the source by  
 plant name, State, and  
 ORIS code from NADB

Plant Name <u>Tilton Energy Center</u>	State <u>IL</u>	ORIS Code <u>7760</u>
--	-----------------	-----------------------

RECEIVED

NOV 30 1998

**STEP 2**  
 Enter the boiler ID#  
 from NADB for each  
 affected unit, and  
 indicate whether a  
 repowering plan is  
 being submitted for  
 the unit by entering  
 "yes" or "no" at  
 column c. For new  
 units, enter the re-  
 quested information  
 in columns d and e

EPA DAPC - SPIED

a	Compliance Plan		d	e
	b	c		
Boiler ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	Repowering Plan	New Units Commence Operation Date	New Units Monitor Certification Deadline
1	Yes		05/31/99	08/31/99
2	Yes		05/31/99	08/31/99
3	Yes		05/31/99	08/31/99
4	Yes		05/31/99	08/31/99
	Yes			

**STEP 3**  
 Check the box if the  
 response in column c  
 of Step 2 is "Yes"  
 for any unit

For each unit that will be repowered, the Repowering Extension Plan form is included and the Repowering Technology Petition form has been submitted or will be submitted by June 1, 1997.

Tilton Energy Center  
Plant Name (from Step 1)

Phase II Permit - Page 2

**STEP 4**  
Read the standard requirements and certification, enter the name of the designated representative, and sign and date

**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 75.34(c)) 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 participation 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, 72.8, or 72.14 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.

**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.

FINAL DRAFT/PROPOSED CAAPP PERMIT  
 Dynegy Midwest Generation, Inc. - Tilton Energy Center  
 I.D. No. 183090AAE  
 Application No.: 00050017  
 October 10, 2002

Plant Name (from Step 1): <b>Tilton Energy Center</b>	Phase II Permit - Page 3
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**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, 72.8, or 72.14, 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.
- (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 its 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<sub>x</sub> averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 76 (including 40 CFR 75.18, 75.17, and 75.14); 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 79 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, 72.8, or 72.14 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.

**Certification**

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 <b>Jane L. Robinson</b>	
Signature 	Date <b>11/2/98</b>