217/782-2113

CONSTRUCTION PERMIT - PSD APPROVAL
NSPS SOURCE

DRAFT

PERMITTEE

Invenergy Nelson, LLC
Attn: Alex C. George, Vice President
1 South Wacker Drive, Suite 1900
Chicago, Illinois 60606

Application No.: 98080039 I.D. No.: 103814AAC
Applicant's Designation: NELSON GEN
Subject: Electric Generation Facility
Initial Date Issued: May 13, 2008
Application Received: November 12, 2009 Permit Issued: DRAFT
Location: Nelson Energy Center, 1311 Nelson Road, Rock Falls, Lee County

Permit is hereby granted to the above-designated Permittee to CONSTRUCT emission source(s) and/or air pollution control equipment consisting of 2 combustion turbines (CT) and associated heat recovery steam generator (HRSG) each with supplemental firing, and ancillary operations as described in the above referenced application and summarized in Attachment 1. This Permit is granted based upon and subject to the findings and special conditions, which follow:

In conjunction with this permit, approval is given with respect to the federal regulations for Prevention of Significant Deterioration of Air Quality Regulations (PSD) for the plant, as described in the application, in that the Illinois Environmental Protection Agency (Illinois EPA) finds that the application fulfills all applicable requirements of 40 CFR 52.21. This approval is issued pursuant to the federal Clean Air Act, the Federal regulations promulgated thereunder at 40 CFR 52.21 for Prevention of Significant Deterioration of Air Quality (PSD), and a Delegation of Authority agreement between the United States Environmental Protection Agency and the Illinois EPA for the administration of the PSD Program. This approval becomes effective in accordance with the provisions of 40 CFR 124.15 and may be appealed in accordance with the provisions of 40 CFR 124.19. This approval is also based upon and subject to the following findings and conditions which follow:

Findings:

1. Invenergy has requested a permit be reissued for a natural gas fired electric power generation facility with two "combined cycle" turbines, i.e., combustion turbines (CT) followed by heat recovery steam generators (HRSG), the capability for supplemental fuel firing in the HRSG for each CT using duct burners.

2a. The proposed facility would be developed by completing construction of two combined cycle turbines on which LSP-Nelson Energy started construction pursuant to a permit for a facility that would have included four “combined cycle” gas turbines. However, LSP–Nelson Energy did not complete construction of the facility because of financial difficulties, which eventually resulted in LSP-Nelson entering bankruptcy. LSP-Nelson submitted information indicating that before construction activity ceased, substantial work was completed on the facility and the individual units. Construction of the foundations and infrastructure for all four units and physical installation of one turbine were completed. Construction was also completed on all four HRSGs, in which the required selective catalytic reduction (SCR) systems for control of emissions of nitrogen oxides (NO_X) would be located.

b. Invenergy has requested that the permit be extended so as to provide additional time to resume construction on the proposed facility. It indicates that further time is needed due to delays in the completion of an Electrical Interconnection Study by PJM, which coordinates movement of wholesale electricity in the region in which the facility would be located. This study is essential for the completion of the facility as it would confirm that the electricity generated by the facility can be accepted and distributed by the electrical power grid.

c. As compared to the original permit for the facility issued to LSP-Nelson in January 20, 2000, based on developments during design and initial construction, the previous permit issued to Invenergy on May 13, 2008 reflected the following significant changes, which are carried over in this permit:

   i. The scope of the facility is only two units, rather than four units with lower permitted emissions that reflect only two units.

   ii. Provisions for oil firing are not present.

   iii. Provisions for operation of the turbines as simple cycle units are not present and only combined cycle operation of the units is addressed.

   iv. Provisions are present to specifically address periodic tuning of the units and power augmentation with steam.

d. This permit reflects the following further changes:

   i. BACT and emission limits are set for emissions of $PM_{2.5}$.

   ii. Numerical BACT limits are set for emissions of CO, VOM, PM_{10}, $PM_{2.5}$ and SO_2.

   iii. Continuous emissions monitoring is required for CO.

3. The project would be located on a parcel of property east of Rock Falls in Lee County. The area is currently designated attainment for all criteria pollutants.

4. The proposed project has the potential to emit major amounts of nitrogen oxides (NO_X), carbon monoxide (CO), particulate matter (PM), volatile organic material (VOM), and sulfur dioxide (SO_2) as shown in Attachment 2. The project is therefore subject to PSD review for NO_X, CO, PM, VOM, and SO_2.

5. After reviewing the materials submitted by Invenergy, the Illinois EPA has determined that the project will (i) comply with applicable Board emission standards (ii) comply with applicable federal emission standards and (iii) utilize Best Available Control Technology (BACT) on emissions of NO_X, CO, SO_2, VOM, and PM.

6. The air quality analysis submitted by Invenergy and reviewed by the Illinois EPA shows that the proposed project will not cause violations of the ambient air quality standard for NO_X, CO, SO_2, and PM. The air quality analysis shows compliance with the allowable increment levels established under the PSD regulations. For this purpose, Invenergy submitted additional air quality modeling to address air quality for $PM_{2.5}$, as well as PM and PM_{10}, and to address NOx and SO_2 air quality on a 1-hour average. An analysis was also conducted for the impact of the facility's VOM emissions on ozone air quality using a conservative screening technique developed by USEPA. The analysis showed that the project would not cause a violation of the ozone air quality standard.

7. The Illinois EPA has determined that the proposed project complies with all applicable Illinois Air Pollution Board Regulations and the federal Prevention of Significant Deterioration of Air Quality Regulations (PSD), 40 CFR 52.21.

8. A copy of the application, the project summary and a draft of this permit were placed in a location in the vicinity of the project, and the public was given notice and an opportunity to examine this material and to submit comments and to request a public hearing on this matter.

The Illinois EPA is issuing approval to construct the proposed project subject to the following special conditions and consistent with the specifications and data included in the application. Any departure from the conditions of this approval or terms expressed in the application would need to receive prior written authorization by Illinois EPA.

<u>Conditions</u>

1. Standard conditions for issuance of construction permits, attached hereto and incorporated herein by reference, shall apply to this project, unless superseded by the following special conditions. (See Attachment 3 for Standard Conditions)

2a. Each CT/HRSG is an affected unit under the Acid Rain Deposition Control Program pursuant to Title IV of the Clean Air Act and is subject to certain control requirements and emissions monitoring requirements pursuant to 40 CFR Parts 72, 73 and 75. (See Attachment 4 for Acid Rain Permit)

b. The CT/HRSGs qualify as Electrical Generating Units (EGU) for purposes of the NO_X and SO_2 Allowance Programs for Electrical Generating Units - Clean Air Interstate Rules (CAIR), 35 IAC Part 225, Subparts C, D, and E. As EGU, the Permittee would have to hold allowances for the NO_X and SO_2 emissions of the CT/HRSGs during each calendar year and seasonal control period (NO_X only). (See Attachment 5 for CAIR Permit)

3. Each combustion turbine (CT) is subject to the following requirements:

a. Each CT shall be equipped, operated, and maintained with dry low NO_x combustors and a selective catalytic reduction (SCR) system in the HRSG to reduce emissions of NO_x.

b. The emissions of NO_X from each CT/HRSG shall not exceed 4.5 ppmvd at 15% O_2 on an hourly average except during startup, malfunction, shutdown or periodic tuning as addressed by Condition 4.

c. The CT and duct burners shall be maintained and operated with good combustion practice to reduce emissions of CO, VOM, and PM.

d. The emissions of CO and VOM from each CT/HRSG shall not exceed 5 and 4 ppmvd, respectively, at 15% O_2 on an hourly average except during startup, shutdown or periodic tuning as addressed by Condition 4.

e. The emissions of PM_{10} and $PM_{2.5}$ from each CT/HRSG shall not exceed 0.012 and 0.006 lb/mmBtu, respectively.

f. The emissions of SO_2 from each CT/HRSG shall not exceed 0.0062 lb/mmBtu.

4a. At all times, each CT/HRSG shall be operated in a manner consistent with good air pollution control practice to minimize emissions of NO_X including:

i. Operation in accordance with the manufacturer’s written instructions or other written instructions developed and maintained by the Permittee, which shall include at a minimum the following measures:

A. Review of operating parameters of the CT during startup, malfunction, breakdown, or shutdown as necessary to make adjustments to minimize NO_X emissions.

B. Operation of the SCR system as soon as and as long as the unit operating conditions are amenable to its effective use, except when precluded during periodic tuning.

C. Review of the operating parameters of the CT/HRSG during startup, malfunction, breakdown or shutdown of the duct burners or steam augmentation as necessary to make adjustments to minimize NO_X emissions.

ii. Maintenance of the SCR systems in accordance with written procedures developed and maintained by the Permittee, which procedures shall be reviewed at least annually.

b. i. Upon malfunction of the SCR system that will result in NO_X emissions in excess of the applicable limit in Condition 3(b) the Permittee shall as soon as practicable repair the affected system or remove the CT/HRSG system from service so that excess emissions cease.

ii. Consistent with the above, if the Permittee has maintained and operated a CT/HRSG/SCR 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 CT/HRSG system 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 CT/HRSG system 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 a CT/HRSG be delayed solely for the economic benefit of the Permittee.

iii. Notwithstanding the above, if the Permittee determines that the NO_X continuous emission monitoring system (CEMS) is inaccurately reporting excess NO_X emissions, the Permittee may continue operation provided the Permittee records the information it is relying upon to conclude that the CT/HRSG/SCR is functioning properly and the CEMS is reporting inaccurate data and the Permittee takes prompt action to resolve the accuracy of the CEMS.

5a. The fuel heater shall be equipped with low-NO_X burners designed to emit no more than 0.15 lb NO_X/million Btu heat input (HHV) on an hourly average.

b. The fuel heater shall be maintained and operated with good combustion practice to reduce emissions of CO, VOM, and PM.

6a. The cooling towers shall each be equipped, operated, and maintained with drift eliminators designed to limit the loss of water droplets

from the cooling tower to not more than 0.001% of the circulating water flow.

b. Good operating practices shall be followed for the cooling tower to maintain the level of dissolved solids in the cooling tower blowdown to not more than 10,000 mg/L, daily average.

Conditions 3, 4, 5 and 6 represent the application of the Best Available Control Technology as required by Section 165 of the Clean Air Act.

7a. The combustion turbines (CT) are subject to the New Source Performance Standard (NSPS) for Stationary Gas Turbines, 40 CFR 60, Subparts A and GG. The Illinois EPA is administrating NSPS in Illinois on behalf of the United States EPA under a delegation agreement.

i. The NO_X emissions from each CT shall not exceed the limit established by the NSPS, pursuant to 40 CFR 60.332(a)(1).

ii. The emission from each CT shall not contain SO_2 in excess of 0.015 percent by volume at 15% O_2 and on a dry basis or the CT 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).

Note: The CTs are not subject to NSPS for Stationary Gas Turbines, 40 CFR 60, Subpart KKKK. This is because the CTs are existing units for purposes of this NSPS since construction was commenced before February 18, 2005, the date for new units under this NSPS.

b. The duct burners in the HRSG are subject to the New Source Performance Standard (NSPS) for Electric Utility Steam Generating Units, 40 CFR 60, Subpart A and Da. The Illinois EPA is administrating NSPS in Illinois on behalf of the United States EPA under a delegation agreement.

i. The NO_X emissions from each HRSG’s duct burner shall not exceed the limit set by the NSPS, pursuant to 40 CFR 60.44Da(d)(1).

ii. The SO_2 emissions from each HRSG’s duct burner shall not exceed 0.20 lb/mmBtu, pursuant to 40 CFR 60.43Da(b)(2).

iii. The PM emission from each HRSG’s duct burner shall not exceed 0.03 lb/mmBtu, pursuant to 40 CFR 60.42Da(a)(1).

c. At all times, the Permittee shall maintain and operate the CT’s, HRSG and duct burners in a manner consistent with good air pollution control practice for minimizing emissions, pursuant to the NSPS, 40 CFR 60.11(d).

8a. The emission of smoke or other particulate matter from a CT or fuel heater shall not have an opacity greater than 30 percent, pursuant to 35 IAC 212.123(a), except as allowed by 35 IAC 201.149, 212.123(b) or 212.124.

b. When the duct burner in a HRSG is being fired, the emission of smoke or other particulate matter from the CT/HRSG system shall not have an opacity greater than 20 percent, pursuant to 40 CFR 60.42Da(b) and 35 IAC 212.122(a), except for one 6-minute period per hour of not more than 27 percent opacity, as further allowed by 40 CFR 60.42Da(b). Pursuant to 40 CFR 60.46Da(c), this opacity standards shall apply at all times except during periods of startup, shutdown and malfunction as defined by 40 CFR 60.2.

9a. i. The only fuels fired in the CT shall be natural gas as defined in 40 CFR 60.331.

ii. Duct burners and the fuel heater shall only be fired with natural gas, as defined in 40 CFR 60.331.

10a. Emissions from CT/HRSG's shall not exceed the limits in Table 1A, 1B, and 1C of Attachment 2.

b. Emissions of NO_X from the fuel heater shall not exceed 1.5 lbs/hour and 6.6 tons/year.

c. Emissions of NO_X from the space heaters, in total, shall not exceed 4.2 tons/year.

d. Emissions of PM from the cooling towers, in total, shall not exceed 8.2 tons/year.

11a. Under this permit, each CT and each HRSG may be operated for a period of up to 180 days from initial startup to allow for equipment shakedown and emissions testing as required. This period may be extended by the Illinois EPA upon request of the Permittee if additional time is needed to complete startup or perform emission testing.

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

c. This Condition supersedes Standard Condition 6.

12a. Within 60 days after operating a CT and a CT/HRSG at the greatest load at which it will normally be operated but not later than 180 days after its initial startup, the Permittee shall perform emissions tests of the CT or the CT/HRSG as follows. These tests shall be used as the initial compliance tests to demonstrate compliance with the limits and conditions set in this permit.

b. Emissions shall be measured by an approved testing service at maximum load for NO_X, CO, $PM/PM_{10}/PM_{2.5}$, VOM, and opacity. During the initial performance tests, emissions shall also be measured at the minimum load, and two intermediate load levels for NO_X and VOM, including

partial firing of the duct burners if installed, full turbine load without the duct burner, and two partial turbine loads without the duct burner. Unless the CT/HRSG is equipped with appropriately located test ports in the duct work between the CT and HRSG, compliance of the HRSG with the NSPS shall be determined by the difference between measurements with and without the duct burner in service, or through an alternative protocol as approved by the USEPA.

c. USEPA methods and procedures shall be used for testing of emissions, including the following methods, unless another USEPA method is approved or specified by the Illinois EPA. For each turbine, measurement of NO_X and SO_2 emissions shall be conducted and data collected in accordance with the test methods and procedures specified in 40 CFR 60.335.

Particulate Matter	USEPA Method 5
Nitrogen Oxides	USEPA Method 20, or 7E
Opacity	USEPA Method 9
Carbon Monoxide	USEPA Method 10
Volatile Organic Material	USEPA Method 18, or 25A
PM (filterable)	Method 5*
PM (condensable)	Method 202 or Other Test Method 027
PM_{10} (filterable)	Method 200 or 201A
$PM_{2.5}$ (filterable)	Method 201A

* The Permittee may report all PM emissions measured by USEPA Method 5 as filterable PM_{10} and $PM_{2.5}$, in which case testing using USEPA Method 201 or 201A need not be performed.

d. At least 60 days prior to the actual date of testing, a written test plan shall be submitted to the Illinois EPA for review. This plan shall describe the specific procedures for testing and shall include as a minimum:

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

ii. The specific conditions under which testing shall 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 CT/HRSG will be tracked and recorded.

iii. The specific determinations of emissions that are intended to be made, including sampling and monitoring locations. As part of this plan, the Permittee may set forth a strategy for performing emission testing of selected turbines provided that all turbines are fitted for testing; the identity of the CT/HRSG to be tested is determined immediately before testing, by the Illinois EPA or otherwise randomly; and continuous emission monitoring of NO_X is present on all turbines.

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

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

f. Three copies of the Final Reports for these tests shall be forwarded to the Illinois EPA, Compliance Section in Springfield within 30 days after the test results are compiled and finalized, in advance of the operating permit application if necessary. The Final Report from testing shall contain a minimum:

i. A summary of results.

ii. General information.

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

iv. Detailed description of test conditions, including:

A. Fuel consumption for CT and duct burners (standard ft^3).

B. Firing rates for CT and duct burners (million Btu/hour).

C. Turbine/Generator output rates (MW, both CT and Steam turbine Generator).

D. Ammonia injection flow rate (lbs/hour).

E. SCR inlet temperature (°F).

F. Combustion turbine inlet temperature (°F).

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

g. Submittals and notification with respect to emissions testing shall be made to the following:

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

Phone: 309/693-5461 Fax: 309/693-5467

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P. O. Box 19276
Springfield, Illinois 62794-9276

Phone: 217/782-5811 Fax: 217/782-6348

13a. i. The Permittee shall install, operate, and maintain a Continuous Emissions Monitoring System (CEMS) in accordance with the provisions of the Acid Rain Program and the NSPS to measure emissions of NO_X from each CT/HRSG to demonstrate compliance with the limitations of this permit.

ii. The procedures under 40 CFR 60.13 and 75.12 shall be followed for the installation, evaluation, and operation these CEMS. Compliance with the quality assurance and quality control requirements in 40 CFR 75, Appendix B, may be used as allowed in the 40 CFR 60.334.

iii. The Permittee shall submit to the Illinois EPA for review and comments, at least 30 days prior to initial startup of a CT, a NOx monitoring plan describing the configuration and operation of the NO_X CEM system(s). The plan shall also state whether the Permittee is installing a SO_2 CEM system (40 CFR 75.11) rather than sulfur analysis and flow monitoring equipment in accordance with 40 CFR 75.11(e).

iv. These CEMS shall be operational and collecting data in accordance with the provisions of the Acid Rain and/or CAIR Program (or subsequent “CAIR replacement rule” adopted by USEPA).

b. The Permittee shall install, operate and maintain a CEMS to measure the CO emissions of each CT/HRSGs.

14a. The Permittee shall either monitor the fuel being fired in each CT/HRSG for total sulfur content pursuant to 40 CFR 60.334(h)(1), demonstrate that the fuel for the CT/HRSG meets the definition of “natural gas” in 40 CFR 60.331(u), in accordance with 40 CFR 60.334(h)(3), or conduct sampling and analysis of the fuel for sulfur content in accordance with 40 CFR 60.334(i)(2), (i)(3)(i) or (i)(3)(ii).

b. If the Permittee relies on an allowance for fuel bound nitrogen (F-value) in the fuel for a CT/HRSG for the purpose of determining compliance with Condition 7(a)(i), the Permittee shall conduct monitoring for the nitrogen content of such fuel in accordance with 40 CFR 60.335(b)(9) and 60.334(i)(2), as provided by 40 CFR 60.334(h)(2). Otherwise, monitoring of fuel nitrogen content is not required.

15. The Permittee shall install, operate, and maintain monitors on each CT/HRSG to measure and record fuel consumption.

16a. The Permittee shall maintain files of the following items:

i. The written Operating Procedures maintained for the CT and HRSG in accordance with Condition 4(a).

ii. The heat content (HHV) of the fuel fired in the CT and HRSG's (Btu/standard ft^3).

iii. The sulfur content of the fuel for the CT/HRSG in accordance with Condition 14.

iv. The design loss specification for the drift eliminators installed in the cooling towers.

b. The Permittee shall maintain the following daily records for the CT/HRSG:

i. The quantity of fuel consumed for each CT (standard ft^3).

ii. The quantity of fuel consumed for each duct burner (standard ft^3).

iii. Operating hours for each CT, with reason for operation and supporting documentation.

iv. Operating hours for each duct burner.

v. Identification of each hour when a turbine is operated at less than 50% load, other than during startup, malfunction, or shutdown as addressed below in Condition 16(e).

c. Records for the actions used to routinely verify the solids contents of the water circulating in the cooling tower, such as sampling and analysis in accordance with the NPDES permit, periodic grab sampling and analysis, conductivity measurements, etc., including:

i. If routine verification will not be conducted pursuant to the NPDES permit, a written description of the procedures, with explanation of how they act to address compliance.

ii. Records for implementation of the procedure, including measured value(s) of relevant parameter(s).

d. The Permittee shall keep inspection, maintenance, and repair logs with dates and nature of such activities for the following:

   i. Each CT/HRSG, including duct burners.

   ii. Each SCR system.

   iii. The SCR reagent storage system.

   iv. The fuel heater.

   v. Cooling tower drift eliminators.

e. The Permittee shall maintain following records for each CT/HRSG related to startup, malfunction and breakdown, and shutdown:

   i. The time and date of startup, malfunction or breakdown and shutdown of the CT/HRSG, and confirmation that standard practices were followed.

   ii. The time and date of startup, malfunction or breakdown and shutdown of the duct burners or power augmentation in the CT/HRSG, and confirmation that standard practices were followed.

   iii. Each incident when operation of the CT/HRSG or the duct burners for the HRSG 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. The reason continued operation of the unit was necessary, including supporting documentation.

      D. The corrective actions used to reduce the quantity of emissions and the duration of the incident.

f. The Permittee shall maintain following records for each CT/HRSG related to periodic tuning:

   i. The date and duration of periodic tuning of the CT/HRSG and/or associated SCR control system.

   ii. The reason for tuning (e.g., regularly scheduled or special purpose), scope of tuning (e.g., performance of the CT, SCR and/or duct burner) and identity and employer of individual(s) supervising tuning.

   iii. Identification of each operating scenario for which tuning is performed, with the emission rates before and after tuning and a

summary of the adjustments that were made to settings for operating parameters.

iv. Recommendations, if any, for additional tuning or maintenance/repair to be performed for the unit.

g. The Permittee shall keep the following records with regards to emissions:

i. A. NO_X emissions from each CT/HRSG in ppmvd recorded hourly, quarterly, and annual (in lbs/mmBtu) by combining the NO_X concentration (in ppm) and diluent concentration (in percent O_2 or CO_2) measurements according to the procedures in 40 CFR 75 Appendix F.

B. NO_X emissions from each CT/HRSG recorded during periodic tuning and each startup, malfunction or breakdown and shutdown during operation with duct burners or steam augmentation (in lbs/event).

ii. Monthly emissions of NO_X, CO, SO_2, VOM, PM/PM_{10} and $PM_{2.5}$ from each CT/HRSG and fuel heater (tons/month). NO_X and CO emissions from each CT/HRSG shall be based on data from the CEMS. All other emissions shall be calculated based on fuel consumption data and site-specific emission factors developed from emission test data or manufacturer's published emission rates.

iii. Annual plant emissions of NO_X, CO, SO_2, VOM, PM/PM_{10} and $PM_{2.5}$ based on monthly emission totals.

17. All records required by this permit shall be retained on site for a period of at least 3 years and shall be made available for inspection and copying by the Illinois EPA upon request.

18a. For each CT and HRSG, the Permittee shall fulfill applicable notification requirements of the NSPS, 40 CFR 60.7(a), including notifications for date of commencement of construction and actual date of initial startup. With the notification for commencement of construction, the Permittee shall identify the manufacturers and model of the turbine, HRSG, and SCR that it has selected and provide a copy of the manufacturer's guarantee for emissions.

b. The Permittee shall submit quarterly operating reports and emission data that include the following information for each CT/HRSG.

i. Number of startups, average duration of startup and total hours of operation.

ii. Number of duct burner events and duration of such operation.

iii. Number of power augmentation events and duration of such operation.

iv. Number of malfunction events and duration of such operation.

v. Number of periodic tuning events and duration of such operation.

c. In the event continued operation of a CT/HRSG with excess NO_X emissions during a malfunction of the SCR system is expected to occur for more than 90 minutes, as addressed by Condition 4(b), the Permittee shall promptly notify the Illinois EPA's regional office of the malfunction and the reason for continued operation.

19a. If there is an exceedance of the requirements of Condition 3 through 9 of this permit, the Permittee shall submit a report to the Illinois EPA within 30 days after the exceedance. The report shall include a description of the exceedance, a copy of relevant records, and a description of the exceedance or violation and efforts to reduce emissions and future occurrences.

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

20a. Any required reports and notifications shall be sent to the Illinois EPA at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Unit (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

Phone: 217/782-5811 Fax: 217/782-6348

b. A copy of all reports and notifications, as required above, except the Annual Emission Report required by 35 Ill. Adm. Code 254, shall also be sent to the Illinois EPA at the following address:

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

Phone: 309/693-5461 Fax: 309/693-5467

21a. Pursuant to 40 CFR 52.21(r)(2), this permit shall become invalid if construction of the facility is not recommenced within 18 months or, if such construction is subsequently discontinued for a period of 18 months or more, or if such construction is not completed within a reasonable period of time, provided however that these 18-month periods may be extended by the Illinois EPA upon a satisfactory showing that an extension is justified.

b. As related to completion of construction of the facility within a reasonable period of time, this permit shall become invalid as applied to the second CT/HRSG if a continuous program of construction for the unit does not recommence within 18 months of recommencement of construction of the facility, if construction of the CT/HRSG is subsequently discontinued for a period of 18 months or more, or if subsequent construction of the CT/HRSG is not completed within a reasonable period of time, provided however that these 18-month periods may be extended by the Illinois EPA upon a satisfactory showing that an extension is justified.

c. For purposes of these provisions, the definition of “commence” at 40 CFR 52.21 (b)(9) shall apply for the term “recommence.” This definition provides that to commence construction, a person must enter into a binding agreement for on-site construction or begin actual on-site construction. (Also refer to the definitions of “construction” and “begin actual construction,” 40 CFR 52.21(b)(8) and (11).)

d. This condition supersedes Standard Condition 1.

22. This Permit for the above referenced project does not relieve the Permittee of the responsibility to comply with all Local, State and Federal Regulations which are part of the applicable Illinois State Implementation Plan, as well as all other applicable Federal, State, and Local requirements.

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

Edwin C. Bakowski, P.E.
Acting Manager, Permit Section
Division of Air Pollution Control

Date Issued: _____

ECB:MNP:

cc: FOS - Region 2, Illinois EPA
USEPA – Region V

Attachment 1 - Emission Units

Unit I.D.	Description	Number	Rated Heat Input[1] (HHV) (mmBtu/hour)	Rated Electrical Output[1] (MWe)	Control
Unit 1 - 2	Combustion Turbine (CT)	2	2,166	180-220	Selective Catalytic Reduction and Low NO_X Combustors
HRSG 1 – 2	Heat Recovery Steam Generator	2	350	---	Selective Catalytic Reduction and Low NO_X Combustors
	Cooling Towers	9 Cells	---	---	Drift Eliminators
	Fuel Heater	1	15	---	Low NO_X Burner
	Natural gas-fired Space Heater	4	2.4	---	None
	Backup Diesel Fire Pump (Up to 300 Hp)[2]	1	---	---	None
	Emergency Diesel Generators (500 kW Maximum)[2]	2	5.2	---	None

[1] Nominal ratings per unit.

[2] Unit operated on a limited basis for backup or emergency purposes and for availability verification. As a result, the units would only operate for an extended period of time if other units were not in service. Accordingly, these units are not considered significant units.

Attachment 2

Summary of Emissions from Significant Units (Tons/Year)

Unit(s)	NO_X	CO	PM/PM_{10}	$PM_{2.5}$	VOM	SO_2
CT/HRSGs	350.6	397.2	187.6	93.8	64.7	121.8
Fuel Heater	6.6	5.3	0.5	0.5	0.4	0.1
Space Heaters	4.2	3.4	0.3	0.3	0.2	0.1
Cooling Tower	-----	-----	8.2/2.5	0.1	----	-----
Totals:	361.4	405.9	196.6/190.9	94.7	65.3	122.0

Table 1A: Emission Limits for Each CT/HRSG Without Duct Burners Operating

Pollutant	(Lbs/mmBtu[1])	(Lbs/Hour[2])
NO_X	0.0168	35.9
CO	0.011	24.3
PM/PM_{10}	0.012	26.0
$PM_{2.5}$	0.006	13.0
VOM	0.002	5.2
SO_2	0.0062	13.4

Emission limits are per unit

Table 1B: Emission Limits for Each CT/HRSG With Duct Burners Operating

Pollutant	(Lbs/mmBtu[2])	(Lbs/Hour[2])
NO_X	0.0166	41.7
CO	0.0138	34.6
PM/PM_{10}	0.012	30.2
$PM_{2.5}$	0.006	15.1
VOM	0.003	8.6
SO_2	0.0062	15.6

Emission limits are per unit

[1] Limits based on vendor/manufacture data and information provided in the permit application. These limits apply in the maximum load range of the CT/HRSG.

[2] Limits based on modeling data and information provided in the permit application. The limits in lb/hour apply at all times. The limits in lb/mmBtu for PM/PM_{10}, $PM_{2.5}$ and SO_2 apply at all times (see Conditions 3(b), (d) and 4). If the applicable limits for CO, VOM, or PM/PM_{10} are not met by a turbine, it shall also be presumed to constitute failure to use good combustion practice as required by Condition 3(c), as well as an exceedance of Condition 10(a).

Table 1C: Annual Emission Limits (Tons/Year) for CT/HRSG

Pollutant	Contribution (Each)	Total
NO_X	175.3	350.6
CO	198.6	397.2
PM/PM_{10}	93.8	187.6
$PM_{2.5}$	46.9	93.8
VOM	32.3	64.7
SO_2	60.9	121.8

MNP:

ATTACHMENT 3: STANDARD PERMIT CONDITIONS

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

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

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

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

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

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

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

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

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

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

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

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

5. The issuance of this permit:

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT 4: ACID RAIN PERMIT

217-782-2113

ACID RAIN PROGRAM PERMIT

Invenergy Nelson LLC
Attn: Pat West, Designated Representative
C/O Nelson Energy Center
One South Wacker Drive
Chicago, Illinois 60606

Oris No.: 55183
IEPA I.D. No.: 103814AAC
Source/Unit: Nelson Energy Center/Combined Cycle Turbine Units 1 and 2
Date Received: January 14, 2008
Date Issued: May 13, 2008
Effective Date: January 1, 2009
Expiration Date: December 31, 2013

STATEMENT OF BASIS:

In accordance with Section 39.5(17)(b) of Illinois Environmental Protection Act and Titles IV and V of the Clean Air Act, the Illinois Environmental Protection Agency is issuing this Acid Rain Program permit to Invenergy Nelson for its Nelson Energy Center.

SULFUR DIOXIDE (SO_2) ALLOCATIONS AND NITROGEN OXIDE (NO_X) REQUIREMENTS FOR EACH AFFECTED UNIT:

Combined Cycle Turbines with Duct Burner, Units 1 and 2	SO_2 Allowances	These units are not entitled to an allocation of SO_2 allowances pursuant to 40 CFR Part 73.
	NO_X limit	These units are not subject to a NO_X emissions limitation pursuant to 40 CFR Part 76.

PERMIT APPLICATION: The permit application, which includes SO_2 allowance requirements and other standard requirements, is attached and incorporated as part of this permit. The owners and operators of this source must comply with the standard requirements and special provisions set forth in the application

COMMENTS, NOTES AND JUSTIFICATIONS: This permit contains provisions related to SO_2 emissions and requires the owners and operators to hold SO_2 allowances to account for SO_2 emissions from the affected units. An allowance is a limited authorization to emit up to one ton of SO_2 during or after a specified calendar year. The affected units are new units and there is no allowance allocation for new units by USEPA. Although these units are not eligible for an allowance allocation by USEPA, the owners or operators through their designated representative must obtain SO_2 allowances to cover emissions in accordance with the SO_2 allowance system requirements of 40 CFR Part 73. The transfer of allowances to and from a unit account does not necessitate a revision to the

unit SO_2 allocations denoted in this permit (See 40 CFR 72.84). This permit contains provisions related to NO_X emissions and requires the owners and operators to monitor NO_X emissions from affected units in accordance with applicable provisions of 40 CFR Part 75. These units are not subject to a NO_X emission limitation because USEPA has not adopted such limitation for combined cycle turbines.

This Acid Rain Program permit does not authorize the construction and operation of the affected units as such matters are addressed by Titles I and V of the Clean Air Act. This permit also does not affect the source's responsibility to meet all other applicable local, state and federal requirements, including state and federal requirements under the Clean Air Interstate Rule and 35 IAC Part 225, Subparts C, D, and E.

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

Edwin C. Bakowski, P.E. Date Issued: _____
Acting Manager, Permit Section
Division of Air Pollution Control

ECB:MNP:jws

cc: Beth Valenziano, Region V - USEPA
FOS – Region 2, Illinois EPA

ID # 103814 AAC

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258

EPA

Acid Rain Permit Application

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

This submission is: [ ] New [X] Revised

STEP 1

Identify the source by plant name, State, and ORIS code.

Plant Name Nelson Energy Center State IL ORIS Code 55183

STEP 2

Enter the unit ID# for every affected unit at the affected source in column "a." For new units, enter the requested information in columns "c" and "d."

a	b	c	d
Unit ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	New Units Commence Operation Date	New Units Monitor Certification Deadline
1	Yes	06/01/2009	07/01/2009
2	Yes	06/01/2009	07/01/2009
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		

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EPA Form 7610-16 (rev. 12-03)

Nelson Energy Center
Plant Name (from Step 1)

STEP 3

Read the standard requirements

Permit Requirements

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

Monitoring Requirements

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

Sulfur Dioxide Requirements

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

STEP 3, Cont'd.

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

Excess Emissions Requirements

(1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
(2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
(i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
(ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting
authority:
(i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
(ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
(iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

(1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

Nelson Energy Center
Plant Name (from Step 1)

Step 3, Cont'd.

Liability, Cont'd.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.
(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:
(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
(2) Limiting the number of allowances a unit can hold; *provided*, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;
(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;
(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

STEP 4

Certification

Read the certification statement, sign, and date

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

Name Pat West, Vice President	
Signature	Date 1/08/08

EPA Form 7610-18 (rev. 12-03)

217-782-2113

CAIR PERMIT

Invenergy Nelson LLC
Attn: Pat West, Designated Representative
C/O Nelson Energy Center
One South Wacker Drive
Chicago, Illinois 60606

Oris No.: 55183
IEPA I.D. No.: 103814AAC
Source/Unit: Nelson Energy Center/Combined Cycle Turbine Units 1 and 2
Date Received: November 29, 2007
Date Issued: May 13, 2008
Effective Date: January 1, 2009
Expiration Date: December 31, 2013

STATEMENT OF BASIS:

In accordance with Clean Air Act Interstate Rule (CAIR) SO2 Trading Program, CAIR NO_X Annual Trading Program and the CAIR NO_X Ozone Season Trading Program, and the 35 IAC Part 225, Subparts C, D, and E, respectively, the Illinois Environmental Protection Agency is issuing this CAIR permit to Invenergy Nelson for the affected units at its Nelson Energy Center.

ALLOCATION OF SULFUR DIOXIDE (SO_2) ALLOWANCES, NITROGEN OXIDE (NO_X) ALLOWANCES, AND NO_X OZONE SEASON ALLOWANCES FOR THE AFFECTED UNITS:

Program	Allocation of Allowances
CAIR SO_2 Allowances	These units are not entitled to an allocation of CAIR SO_2 allowances pursuant to 40 CFR Part 96.
CAIR NO_X Annual Allowances	For the first five control periods in which each unit is operated when a unit is not eligible to an allocation of CAIR NO_X annual allowances pursuant to 35 IAC 225.430, 225.435 and 225.440, the Permittee may, through its designated representative, apply for an allocation of such allowances for the unit from the New Unit Set Aside, pursuant to 35 IAC 225.445. Thereafter, units are eligible to an annual allocation of allowances in accordance with 35 IAC 225.430, 225.435 and 225.440.

CAIR NO_X Ozone Season Allowances	For the first five control periods in which each unit is operated when a unit is not eligible to an allocation of CAIR NO_X ozone season allowances pursuant to 35 IAC 225.530, 225.535 and 225.540, the Permittee may, through its designated representative, apply for an allocation of such allowances for the unit from the New Unit Set Aside, pursuant to 35 IAC 225.545. Thereafter, units are eligible to an annual allocation of allowances in accordance with 35 IAC 225.530, 225.535 and 225.540.

PERMIT APPLICATION: The permit application, which includes CAIR SO_2 Trading Program requirements, CAIR NO_X Annual Trading Program requirements, CAIR NO_X Ozone Season Trading Program requirements, and other standard requirements, is attached and incorporated as part of this permit. The owners and operators of this source and their designated representative must comply with the standard requirements and special provisions set forth in the application.

COMMENTS, NOTES AND JUSTIFICATIONS: This permit contains provisions related to SO_2 emissions and NO_X emissions and requires the owners and operators to hold CAIR SO_2 allowances to account for SO_2 emissions, CAIR NO_X annual allowances to account for annual NO_X emissions, and CAIR NO_X ozone season allowances to account for ozone season NOx emissions from these CAIR units. An allowance is a limited authorization to emit SO_2 or NOx during or after a specified control period. Although these CAIR units are not eligible for an SO_2 allowance allocation by USEPA, the owners or operators through their designated representative must obtain SO_2 allowances to cover emissions in accordance with the CAIR SO_2 Trading Program, pursuant to 35 IAC 225.325 and 40 CFR Part 96. The transfer of allowances to and from the applicable compliance or general account does not necessitate a revision to this permit.

This CAIR permit does not authorize the construction and operation of the affected units as such matters are addressed by Titles I and V of the Clean Air Act. This permit also does not affect the source's responsibility to meet all other applicable local, state and federal requirements.

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

Edwin C. Bakowski, P.E. Date Issued: _____
Acting Manager, Permit Section
Division of Air Pollution Control

ECB:MNP:jws

cc: Beth Valenziano, Region V - USEPA
FOS – Region 2, Illinois EPA

AANP> FUS Region 2, ID # 103814AAC

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
DIVISION OF AIR POLLUTION CONTROL -- PERMIT SECTION
P.O. BOX 19506
SPRINGFIELD, ILLINOIS 62794-9506

FOR APPLICANT'S USE
Revision #: _____
Date: ____ / ____ / ____
Page _____ of _____

Application For CAIR Permit For Electrical Generating Units (EGU)

FOR AGENCY USE ONLY
ID NUMBER:
PERMIT No.:
DATE:

This application form is to be used to request the Clean Air Act Interstate Rule (CAIR) permit required by the CAIR SO_2 trading program, CAIR NOx annual trading program, CAIR NOx ozone season trading program for EGU subject to the provisions of 35 IAC Part 225, Subpart C, D, and E, respectively.

SECTION 1: SOURCE AND EGU INFORMATION		
1) COMPANY NAME: Invenergy Nelson LLC		
2) PLANT OR FACILITY NAME: Nelson Energy Center		
3) SOURCE ID NO.: 103814AAC	4) ORIS FACILITY CODE: 55183	
5) CONTACT NAME: Joel Schroeder	6) PHONE NO.: 312-224-1417	7) E-MAIL ADDRESS: jschroeder@invenergyllc.com

8) ELECTRICAL GENERATING UNITS:

GENERATING UNIT / EGU DESIGNATION	EGU DESCRIPTION	APPLICABILITY (Mark all applicable boxes)	
Unit 1	Combustion Turbine	☐ Existing EGU ☒ New EGU	☒ CAIR SO_2 trading program ☒ CAIR NOx annual trading program ☒ CAIR NOx ozone season trading program
Unit 2	Combustion Turbine	☐ Existing EGU ☒ New EGU	☒ CAIR SO_2 trading program ☒ CAIR NOx annual trading program ☒ CAIR NOx ozone season trading program
		☐ Existing EGU ☐ New EGU	☐ CAIR SO_2 trading program ☐ CAIR NOx annual trading program ☐ CAIR NOx ozone season trading program
		☐ Existing EGU ☐ New EGU	☐ CAIR SO_2 trading program ☐ CAIR NOx annual trading program ☐ CAIR NOx ozone season trading program
		☐ Existing EGU ☐ New EGU	☐ CAIR SO_2 trading program ☐ CAIR NOx annual trading program ☐ CAIR NOx ozone season trading program
		☐ Existing EGU ☐ New EGU	☐ CAIR SO_2 trading program ☐ CAIR NOx annual trading program ☐ CAIR NOx ozone season trading program
		☐ Existing EGU ☐ New EGU	☐ CAIR SO_2 trading program ☐ CAIR NOx annual trading program ☐ CAIR NOx ozone season trading program
		☐ Existing EGU ☐ New EGU	☐ CAIR SO_2 trading program ☐ CAIR NOx annual trading program ☐ CAIR NOx ozone season trading program
		☐ Existing EGU ☐ New EGU	☐ CAIR SO_2 trading program ☐ CAIR NOx annual trading program ☐ CAIR NOx ozone season trading program

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NOV 29 2007
IEPA - DAPC - SPFLD

The Illinois EPA is authorized to require, and you must disclose, the requested information on this form pursuant to Section 39.5 of the Environmental Protection Act ("Act") 415 ILCS 5/39.5. This information shall be provided using either this form or in an alternative manner at your discretion. Failure to disclose the information may result in your application being denied and/or penalties as provided for in the Act, 415 ILCS 5/42-45. This form has been approved by the Forms Management Center.

APPLICATION PAGE 1 of 8

FOR APPLICANT'S USE
_____

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9) DETERMINATION OF SO_2 EMISSIONS:		
List each EGU that is not currently equipped with a "Part 75 Approved" continuous emissions monitoring system (CEMS) for SO_2		
(a) EGUs for which SO_2 CEMS installed but not certified:		
1.	4.	7.
2.	5.	8.
3.	6.	9.
(b)) EGUs for which SO_2 CEMS yet to be installed:		
1. Unit 1	4.	7.
2. Unit 2	5.	8.
3.	6.	9.
(c)) EGUs for which SO_2 emissions to be determined by the alternative protocol for peaker units:		
1.	4.	7.
2.	5.	8.
3.	6.	9.

10) DETERMINATION OF NO_X EMISSIONS:		
List each EGU that is not currently equipped with a "Part 75 Approved" continuous emissions monitoring system (CEMS) for NO_X		
(a) EGUs for which NO_X CEMS installed but not certified:		
1.	4.	7.
2.	5.	8.
3.	6.	9.
(b) EGUs for which NO_X CEMS yet to be installed:		
1. Unit 1	4.	7.
2. Unit 2	5.	8.
3.	6.	9.
(c) EGUs for which NO_X emissions to be determined by the alternative protocol for peaker units:		
1.	4.	7.
2.	5.	8.
3.	6.	9.

11) CERTIFICATION:

(a) Has a complete Certificate of Representation for the designated representatives for the source been submitted to USEPA, with a copy provided to the Illinois EPA? ☒ Yes ☐ No

(b) I am authorized to make this submission on behalf of the owners and operators of the source or 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 (Designated Representative): Alex C. George

SIGNATURE (Designated Representative): Alex C. George

DATE: 11/26/07

APPLICATION PAGE 2 of 8

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670-CAAPP

FOR APPLICANT'S USE

SECTION 2: CAIR SO_2 TRADING PROGRAM
COMPLIANCE REQUIREMENTS AS SET FORTH IN 35 IAC 225.310

(a) APPLICABLE REGULATIONS:

The requirements of 35 IAC Part 225, Subpart C and 40 CFR 96, subpart AAA (excluding 40 CFR 96.204, and 96.206), subpart BBB, subpart FFF, subpart GGG and subpart HHH as incorporated by reference in 35 IAC 225.140.

(b) CAIR PERMIT REQUIREMENTS:

1) The owner or operator of each source with one or more CAIR SO_2 units at the source subject to 35 IAC Part 225, Subpart C must apply for a permit issued by the Agency with federally enforceable conditions covering the CAIR SO_2 Trading Program ("CAIR permit") that complies with the requirements of 35 IAC 225.320.

2) The owner or operator of each CAIR SO_2 source and each CAIR SO_2 unit at the source subject to 35 IAC Part 225, Subpart C must operate the CAIR SO_2 unit in compliance with such CAIR permit.

(c) MONITORING REQUIREMENTS:

1) The owner or operator of each CAIR SO_2 source and each CAIR SO_2 unit at the source must comply with the monitoring, reporting and recordkeeping requirements of 40 CFR 96, Subpart HHH. The CAIR designated representative of each CAIR SO_2 source and each CAIR SO_2 unit at the CAIR SO_2 source must comply with those sections of the monitoring, reporting and recordkeeping requirements of 40 CFR 96, Subpart HHH, applicable to the CAIR designated representative.

2) The compliance of each CAIR SO_2 source with the emissions limitation pursuant to 35 IAC 225.310(d) will be determined by the emissions measurements recorded and reported in accordance with 40 CFR 96, subpart HHH and 40 CFR 75.

(d) EMISSION REQUIREMENTS:

1) By the allowance transfer deadline, midnight of March 1, 2011, and by midnight of March 1 of each subsequent year if March 1 is a business day, the owner or operator of each CAIR SO_2 source and each CAIR SO_2 unit at the source must hold a tonnage equivalent in CAIR SO_2 allowances available for compliance deductions pursuant to 40 CFR 96.254(a) and (b) in the CAIR SO_2 source's CAIR SO_2 compliance account. If March 1 is not a business day, the allowance transfer deadline means by midnight of the first business day thereafter. The number of allowances held on the allowance transfer deadline may not be less than the total tonnage equivalent of the tons of SO_2 emissions for the control period from all CAIR SO_2 units at the CAIR SO_2 source, as determined in accordance with 40 CFR 96, subpart HHH.

2) Each ton of excess emissions of SO_2 emitted by a CAIR SO_2 source for each day of control period, starting in 2010 will constitute a separate violation of 35 IAC Part 225, Subpart C, the Clean Air Act, and the Act.

3) Each CAIR SO_2 unit will be subject to the requirements of 35 IAC 225.310(d)(1) for the control period starting on the later of January 1, 2010 or the deadline for meeting the unit's monitoring certification requirements pursuant to 40 CFR 96.270(b)(1) or (2) and for each control period thereafter.

4) CAIR SO_2 allowances must be held in, deducted from, or transferred into or among allowance accounts in accordance with 35 IAC Part 225, Subpart C, and 40 CFR 96, subparts FFF and GGG.

5) In order to comply with the requirements of 35 IAC 225.310(d)(1), a CAIR SO_2 allowance may not be deducted for compliance according to 35 IAC 225.310(d)(1) for a control period in a calendar year before the year for which the allowance is allocated.

6) A CAIR SO_2 allowance is a limited authorization to emit SO_2 in accordance with the CAIR SO_2 Trading Program. No provision of the CAIR SO_2 Trading Program, the CAIR permit application, the CAIR permit, or a retired unit exemption pursuant to 40 CFR 96.205, and no provision of law, will be construed to limit the authority of the United States or the State to terminate or limit this authorization.

7) A CAIR SO_2 allowance does not constitute a property right.

8) Upon recordation by USEPA pursuant to 40 CFR 96, subpart FFF or subpart GGG, every allocation, transfer, or deduction of a CAIR SO_2 allowance to or from a CAIR SO_2 source's compliance account is deemed to amend automatically, and become a part of, any CAIR permit of the CAIR SO_2 source. This automatic amendment of the CAIR permit will be deemed an operation of law and will not require any further review.

FOR APPLICANT'S USE

e) RECORDKEEPING AND REPORTING REQUIREMENTS:

1) Unless otherwise provided, the owner or operator of the CAIR SO_2 source and each CAIR SO_2 unit at the source must keep on site at the source each of the documents listed in subsections (e)(1)(A) through (e)(1)(D) of 35 IAC 225.310 for a period of five years from the date the document is created. This period may be extended for cause, at any time prior to the end of five years in writing by the Agency or USEPA.

A) The certificate of representation for the CAIR designated representative for the source and each CAIR SO_2 unit at the source, all documents that demonstrate the truth of the statements in the certificate of representation, provided that the certificate and documents must be retained on site at the source beyond such five-year period until the documents are superseded because of the submission of a new certificate of representation, pursuant to 40 CFR 96.213, changing the CAIR designated representative.

B) All emissions monitoring information, in accordance with 40 CFR 96, subpart HHH.

C) Copies of all reports, compliance certifications, and other submissions and all records made or required pursuant to the CAIR SO_2 Trading Program or documents necessary to demonstrate compliance with the requirements of the CAIR SO_2 Trading Program or with the requirements of 35 IAC Part 225, Subpart C.

D) Copies of all documents used to complete a CAIR permit application and any other submission or documents used to demonstrate compliance pursuant to the CAIR SO_2 Trading Program.

2) The CAIR designated representative of a CAIR SO_2 source and each CAIR SO_2 unit at the source must submit to the Agency and USEPA the reports and compliance certifications required pursuant to the CAIR SO_2 Trading Program, including those pursuant to 40 CFR 96, subpart HHH.

f) LIABILITY:

1) No revision of a permit for a CAIR SO_2 unit may excuse any violation of the requirements of 35 IAC Part 225, Subpart C or the requirements of the CAIR SO_2 Trading Program.

2) Each CAIR SO_2 source and each CAIR SO_2 unit must meet the requirements of the CAIR SO_2 Trading Program.

3) Any provision of the CAIR SO_2 Trading Program that applies to a CAIR SO_2 source (including any provision applicable to the CAIR designated representative of a CAIR SO_2 source) will also apply to the owner and operator of the CAIR SO_2 source and to the owner and operator of each CAIR SO_2 unit at the source.

4) Any provision of the CAIR SO_2 Trading Program that applies to a CAIR SO_2 unit (including any provision applicable to the CAIR designated representative of a CAIR SO_2 unit) will also apply to the owner and operator of the CAIR SO_2 unit.

5) The CAIR designated representative of a CAIR SO_2 unit that has excess SO_2 emissions in any control period must surrender the allowances as required for deduction pursuant to 40 CFR 96.254(d)(1).

6) The owner or operator of a CAIR SO_2 unit that has excess SO_2 emissions in any control period must pay any fine, penalty, or assessment or comply with any other remedy imposed pursuant to the Act and 40 CFR 96.254(d)(2).

g) EFFECT ON OTHER AUTHORITIES:

No provision of the CAIR SO_2 Trading Program, a CAIR permit application, a CAIR permit, or a retired unit exemption pursuant to 40 CFR 96.205 will be construed as exempting or excluding the owner and operator and, to the extent applicable, the CAIR designated representative of a CAIR SO_2 source or a CAIR SO_2 unit from compliance with any other regulation promulgated pursuant to the CAA, the Act, any State regulation or permit, or a federally enforceable permit.

SECTION 3: CAIR NO_X ANNUAL TRADING PROGRAM COMPLIANCE REQUIREMENTS AS SET FORTH IN 35 IAC 225.410

(a) APPLICABLE REGULATIONS:

The requirements of 35 IAC Part 225, Subpart D and 40 CFR 96, subpart AA (excluding 40 CFR 96.104, 96.105(b)(2), and 96.106), subpart BB, subpart FF, subpart GG and subpart HH as incorporated by reference in 35 IAC 225.140.

(b) CAIR PERMIT REQUIREMENTS:

1) The designated representative of each source with one or more CAIR NO_X units at the source subject to 35 IAC Part 225, Subpart D must apply for a permit issued by the Agency with federally enforceable conditions covering the CAIR NO_X Annual Trading Program ("CAIR permit") that complies with the requirements of 35 IAC 225.420.

2) The owner or operator of each CAIR NO_X source and each CAIR NO_X unit at the source must operate the CAIR NO_X unit in compliance with its CAIR permit.

(c) MONITORING REQUIREMENTS:

1) The owner or operator of each CAIR NO_X source and each CAIR NO_X unit at the source must comply with the monitoring, reporting and recordkeeping requirements of 40 CFR 96, Subpart HH and 35 IAC 225.450. The CAIR designated representative of each CAIR NO_X source and each CAIR NO_X unit at the CAIR NO_X source must comply with those sections of the monitoring, reporting and recordkeeping requirements of 40 CFR 96, Subpart HH, applicable to a CAIR designated representative.

2) The compliance of each CAIR NO_X source with the emissions limitation pursuant to 35 IAC 225.410(d) will be determined by the emissions measurements recorded and reported in accordance with 40 CFR 96, subpart HH.

(d) EMISSION REQUIREMENTS:

1) By the allowance transfer deadline, midnight of March 1, 2010, and by midnight of March 1 of each subsequent year if March 1 is a business day, the owner or operator of each CAIR NO_X source and each CAIR NO_X unit at the source must hold CAIR NO_X allowances available for compliance deductions pursuant to 40 CFR 96.154(a) in the CAIR NO_X source's CAIR NO_X compliance account. If March 1 is not a business day, the allowance transfer deadline means by midnight of the first business day thereafter. The number of allowances held on the allowance transfer deadline may not be less than the tons of NO_X emissions for the control period from all CAIR NO_X units at the source, as determined in accordance with 40 CFR 96, subpart HH.

2) Each ton of excess emissions of a CAIR NO_X source for each day in a control period, starting in 2009 will constitute a separate violation of 35 IAC Part 225, Subpart D, the Act, and the CAA.

3) Each CAIR NO_X unit will be subject to the requirements 35 IAC 225.410(d)(1) for the control period starting on the later of January 1, 2009 or the deadline for meeting the unit's monitoring certification requirements pursuant to 40 CFR 96.170(b)(1) or (b)(2) and for each control period thereafter.

4) CAIR NO_X allowances must be held in, deducted from, or transferred into or among allowance accounts in accordance with 35 IAC Part 225, Subpart D, and 40 CFR 96, subparts FF and GG.

5) In order to comply with the requirements of 35 IAC 225.410(d)(1), a CAIR NO_X allowance may not be deducted for compliance according to 35 IAC 225.410(d)(1) for a control period in a year before the calendar year for which the allowance is allocated.

6) A CAIR NO_X allowance is a limited authorization to emit one ton of NO_X in accordance with the CAIR NO_X Trading Program. No provision of the CAIR NO_X Trading Program, the CAIR NO_X permit application, the CAIR permit, or a retired unit exemption pursuant to 40 CFR 96.105, and no provision of law, will be construed to limit the authority of the United States or the State to terminate or limit this authorization.

7) A CAIR NO_X allowance does not constitute a property right.

8) Upon recordation by USEPA pursuant to 40 CFR 96, subpart FF or subpart GG, every allocation, transfer, or deduction of a CAIR NO_X allowance to or from a CAIR NO_X source's compliance account is deemed to amend automatically, and become a part of, any CAIR NO_X permit of the CAIR NO_X source. This automatic amendment of the CAIR permit will be deemed an operation of law and will not require any further review.

FOR APPLICANT'S USE

e) RECORDKEEPING AND REPORTING REQUIREMENTS:

1) Unless otherwise provided, the owner or operator of the CAIR NO_X source and each CAIR NO_X unit at the source must keep on site at the source each of the documents listed in subsections (e)(1)(A) through (e)(1)(E) of 35 IAC 225.410 for a period of five years from the date the document is created. This period may be extended for cause, at any time prior to the end of five years in writing by the Agency or USEPA.

A) The certificate of representation for the CAIR designated representative for the source and each CAIR NO_X unit at the source, all documents that demonstrate the truth of the statements in the certificate of representation, provided that the certificate and documents must be retained on site at the source beyond such five-year period until the documents are superseded because of the submission of a new certificate of representation, pursuant to 40 CFR 96.113, changing the CAIR designated representative.

B) All emissions monitoring information, in accordance with 40 CFR 96, subpart HH.

C) Copies of all reports, compliance certifications, and other submissions and all records made or required pursuant to the CAIR NO_X Annual Trading Program or documents necessary to demonstrate compliance with the requirements of the CAIR NO_X Annual Trading Program or with the requirements of 35 IAC Part 225, Subpart D.

D) Copies of all documents used to complete a CAIR NO_X permit application and any other submission or documents used to demonstrate compliance pursuant to the CAIR NO_X Annual Trading Program.

E) Copies of all records and logs for gross electrical output and useful thermal energy required by 35 IAC 225.460.

2) The CAIR designated representative of a CAIR NO_X source and each CAIR NO_X unit at the source must submit to the Agency and USEPA the reports and compliance certifications required pursuant to the CAIR NO_X Annual Trading Program, including those pursuant to 40 CFR 96, subpart HH.

f) LIABILITY:

1) No revision of a permit for a CAIR NO_X unit may excuse any violation of the requirements of 35 IAC Part 225, Subpart D or the requirements of the CAIR NO_X Annual Trading Program.

2) Each CAIR NO_X source and each CAIR NO_X unit must meet the requirements of the CAIR NO_X Annual Trading Program.

3) Any provision of the CAIR NO_X Annual Trading Program that applies to a CAIR NO_X source (including any provision applicable to the CAIR designated representative of a CAIR NO_X source) will also apply to the owner and operator of the CAIR NO_X source and to the owner and operator of each CAIR NO_X unit at the source.

4) Any provision of the CAIR NO_X Annual Trading Program that applies to a CAIR NO_X unit (including any provision applicable to the CAIR designated representative of a CAIR NO_X unit) will also apply to the owner and operator of the CAIR NO_X unit.

5) The CAIR designated representative of a CAIR NO_X unit that has excess NO_X emissions in any control period must surrender the allowances as required for deduction pursuant to 40 CFR 96.154(d)(1).

6) The owner or operator of a CAIR NO_X unit that has excess NO_X emissions in any control period must pay any fine, penalty, or assessment or comply with any other remedy imposed pursuant to the Act and 40 CFR 96.154(d)(2).

g) EFFECT ON OTHER AUTHORITIES:

No provision of the CAIR NO_X Annual Trading Program, a CAIR permit application, a CAIR permit, or a retired unit exemption pursuant to 40 CFR 96.105 will be construed as exempting or excluding the owner and operator and, to the extent applicable, the CAIR designated representative of a CAIR NO_X source or a CAIR NO_X unit from compliance with any other regulation promulgated pursuant to the CAA, the Act, any State regulation or permit, or a federally enforceable permit.

FOR APPLICANT'S USE

SECTION 4: CAIR NO_X OZONE SEASON TRADING PROGRAM COMPLIANCE REQUIREMENTS AS SET FORTH IN 35 IAC 225.510

(a) APPLICABLE REGULATIONS:

The requirements of 35 IAC Part 225, Subpart E and 40 CFR 96, subpart AAAA (excluding 40 CFR 96.304, 96.305(b)(2), and 96.306), subpart BBBB, subpart FFFF, subpart GGGG and subpart HHHH as incorporated by reference in 35 IAC 225.140.

(b) CAIR PERMIT REQUIREMENTS:

1) The designated representative of each source with one or more CAIR NO_X Ozone Season units at the source subject to 35 IAC Part 225, Subpart E must apply for a permit issued by the Agency with federally enforceable conditions covering the CAIR NO_X Ozone Season Trading Program ("CAIR permit") that complies with the requirements of 35 IAC 225.520.

2) The owner or operator of each CAIR NO_X Ozone Season source and each CAIR NO_X Ozone Season unit at the source must operate the CAIR NO_X Ozone Season unit in compliance with its CAIR permit.

(c) MONITORING REQUIREMENTS:

1) The owner or operator of each CAIR NO_X Ozone Season source and each CAIR NO_X Ozone Season unit at the source must comply with the monitoring, reporting and recordkeeping requirements of 40 CFR 96, Subpart HHHH, 40 CFR 75 and 35 IAC 225.550. The CAIR designated representative of each CAIR NO_X Ozone Season source and each CAIR NO_X Ozone Season unit at the source must comply with those sections of the monitoring, reporting and recordkeeping requirements of 40 CFR 96, Subpart HHHH, applicable to a CAIR designated representative.

2) The compliance of each CAIR NO_X Ozone Season source with the CAIR NO_X Ozone Season emissions limitation pursuant to 35 IAC 225.510(d) will be determined by the emissions measurements recorded and reported in accordance with 40 CFR 96, subpart HHHH.

(d) EMISSION REQUIREMENTS:

1) By the allowance transfer deadline, midnight of November 30, 2009, and by midnight of November 30 of each subsequent year if November 30 is a business day, the owner or operator of each CAIR NO_X Ozone Season source and each CAIR NO_X Ozone Season unit at the source must hold CAIR NO_X allowances available for compliance deductions pursuant to 40 CFR 96.354(a) in the CAIR NO_X Ozone Season source's compliance account. If November 30 is not a business day, the allowance transfer deadline means by midnight of the first business day thereafter. The number of allowances held may not be less than the tons of NO_X emissions for the control period from all CAIR NO_X Ozone Season units at the CAIR NO_X Ozone Season source, as determined in accordance with 40 CFR 96, subpart HHHH.

2) Each ton of excess emissions of a CAIR NO_X Ozone Season source for each day in a control period, starting in 2009 will constitute a separate violation of 35 IAC Part 225, Subpart E, the Act, and the CAA.

3) Each CAIR NO_X Ozone Season unit will be subject to the requirements 35 IAC 225.510(d)(1) for the control period starting on the later of May 1, 2009 or the deadline for meeting the unit's monitoring certification requirements pursuant to 40 CFR 96.370(b)(1), (b)(2) or (b)(3) and for each control period thereafter.

4) CAIR NO_X Ozone Season allowances must be held in, deducted from, or transferred into or among allowance accounts in accordance with 35 IAC Part 225, Subpart E, and 40 CFR 96, subparts FFFF and GGGG.

5) In order to comply with the requirements of 35 IAC 225.510(d)(1), a CAIR NO_X Ozone Season allowance may not be deducted for compliance according to 35 IAC 225.510(d)(1) for a control period in a calendar year before the year for which the CAIR NO_X Ozone Season allowance is allocated.

6) A CAIR NO_X Ozone Season allowance is a limited authorization to emit one ton of NO_X in accordance with the CAIR NO_X Ozone Season Trading Program. No provision of the CAIR NO_X Ozone Season Trading Program, the CAIR permit application, the CAIR permit, or a retired unit exemption pursuant to 40 CFR 96.305, and no provision of law, will be construed to limit the authority of the United States or the State to terminate or limit this authorization.

7) A CAIR NO_X Ozone Season allowance does not constitute a property right.

FOR APPLICANT'S USE

8) Upon recordation by USEPA pursuant to 40 CFR 96, subpart FFFF or GGGG, every allocation, transfer, or deduction of a CAIR NO_x Ozone Season allowance to or from a CAIR NO_x Ozone Season source compliance account is deemed to amend automatically, and become a part of, any CAIR permit of the CAIR NO_x Ozone Season source. This automatic amendment of the CAIR permit will be deemed an operation of law and will not require any further review.

e) RECORDKEEPING AND REPORTING REQUIREMENTS:

1) Unless otherwise provided, the owner or operator of the CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source must keep on site at the source each of the documents listed in subsections (e)(1)(A) through (e)(1)(E) of 35 IAC 225.510 for a period of five years from the date the document is created. This period may be extended for cause, at any time prior to the end of five years in writing by the Agency or USEPA.

A) The certificate of representation for the CAIR designated representative for the source and each CAIR NO_x Ozone Season unit at the source, all documents that demonstrate the truth of the statements in the certificate of representation, provided that the certificate and documents must be retained on site at the source beyond such five-year period until the documents are superseded because of the submission of a new certificate of representation, pursuant to 40 CFR 96.313, changing the CAIR designated representative.

B) All emissions monitoring information, in accordance with 40 CFR 96, subpart HHHH.

C) Copies of all reports, compliance certifications, and other submissions and all records made or required pursuant to the CAIR NO_x Ozone Season Trading Program or documents necessary to demonstrate compliance with the requirements of the CAIR NO_x Ozone Season Trading Program or with the requirements of 35 IAC Part 225, Subpart E.

D) Copies of all documents used to complete a CAIR permit application and any other submission or documents used to demonstrate compliance pursuant to the CAIR NO_x Ozone Season Trading Program.

E) Copies of all records and logs for gross electrical output and useful thermal energy required by 35 IAC 225.550.

2) The CAIR designated representative of a CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit at the source must submit to the Agency and USEPA the reports and compliance certifications required pursuant to the CAIR NO_x Ozone Season Trading Program, including those pursuant to 40 CFR 96, subpart HHHH and 35 IAC 225.550.

f) LIABILITY:

1) No revision of a permit for a CAIR NO_x Ozone Season unit may excuse any violation of the requirements of 35 IAC Part 225, Subpart E or the requirements of the CAIR NO_x Ozone Season Trading Program.

2) Each CAIR NO_x Ozone Season source and each CAIR NO_x Ozone Season unit must meet the requirements of the CAIR NO_x Ozone Season Trading Program.

3) Any provision of the CAIR NO_x Ozone Season Trading Program that applies to a CAIR NO_x Ozone Season source (including any provision applicable to the CAIR designated representative of a CAIR NO_x Ozone Season source) will also apply to the owner and operator of the CAIR NO_x Ozone Season source and to the owner and operator of each CAIR NO_x Ozone Season unit at the source.

4) Any provision of the CAIR NO_x Ozone Season Trading Program that applies to a CAIR NO_x Ozone Season unit (including any provision applicable to the CAIR designated representative of a CAIR NO_x Ozone Season unit) will also apply to the owner and operator of the CAIR NO_x Ozone Season unit.

5) The CAIR designated representative of a CAIR NO_x Ozone Season unit that has excess emissions in any control period must surrender the allowances as required for deduction pursuant to 40 CFR 96.354(d)(1).

6) The owner or operator of a CAIR NO_x Ozone Season unit that has excess NO_x emissions in any control period must pay any fine, penalty, or assessment or comply with any other remedy imposed pursuant to the Act and 40 CFR 96.354(d)(2).

g) EFFECT ON OTHER AUTHORITIES:

No provision of the CAIR NO_x Ozone Season Trading Program, a CAIR permit application, a CAIR permit, or a retired unit exemption pursuant to 40 CFR 96.305 will be construed as exempting or excluding the owner and operator and, to the extent applicable, the CAIR designated representative of a CAIR NO_x Ozone Season source or a CAIR NO_x Ozone Season unit from compliance with any other regulation promulgated pursuant to the CAA, the Act, any State regulation or permit, or a federally enforceable permit.

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