

(AR-18J)

May 11, 2005

Donald Sutton, P.E.  
Manager, Permit Section  
Illinois Environmental Protection Agency  
P.O. Box 19506  
Springfield, Illinois 62794-9506

Dear Mr. Sutton:

This is in response to your December 6, 2004, letter seeking the United States Environmental Protection Agency's (USEPA) interpretation of the appropriate 5-year lookback period for establishing a plantwide applicability limitation (PAL) for an electric utility. Specifically, you ask whether the 5-year lookback applies to 5 years prior to submittal of the PAL permit application or to the 5 years prior to the issuance of the permit or if it is something else.

As you point out, the PAL rule at 40 Code of Federal Regulations Part 52.21(aa)(2)(i) states "Actuals PAL for a major stationary source means a PAL based on the baseline actual emissions (as defined in paragraph (b)(48) of this section) of all emissions units (as defined in paragraph (b)(7) of this section) at the source, that emit or have the potential to emit the PAL pollutant." Additionally, in §(b)(48)(i) "Baseline actual emissions" for an electric utility steam generating unit (EUSGU) is defined in part "as the average rate, in tons per year, at which the unit actually emitted the pollutant during any consecutive 24-month period selected by the owner or operator **within the 5-year period immediately preceding when the owner or operator begins actual construction of the project.** The Administrator shall allow the use of a different time period upon a determination that it is more representative of normal source operation."

While this definition specifically addresses a modification which would involve construction, it does not address the scenario of a source seeking a PAL wherein there is no proposed construction.

Under these circumstances, consistent with the PAL baseline determination for emission units other than Electric Utility Steam Generating Units, EPA believes that **the 5- year lookback period for determining the PAL baseline for Dynegy-Midwest Generation should also be based on the date of the permit application.** Basing it on the date of permit issuance would result in significant uncertainty about the PAL level for you, the source and the public, since permit issuance is dependent on several factors and the permit issuance date cannot be definitively established.

If you have any further questions, please feel free to contact me or have your staff contact Constantine Blathras at (312) 886-0671.

Sincerely yours,

/s/

Pamela Blakley, Chief  
Air Permits Section