



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAY 17 2007

REPLY TO THE ATTENTION OF:

(AR-18J)

Edwin C. Bakowski
Acting Manager, Permits Section
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19506
Springfield, Illinois 62794-9506

Dear Mr. Bakowski:

This letter is in regards to your April 11, 2007, letter concerning the meaning of the term "fuel conversion plant". Specifically, you are seeking guidance on whether the fuel conversion plant at the proposed Ewing mine would constitute a fuel conversion plant, as that term is used in the definition for *major stationary source* found in the Prevention of Significant Deterioration (PSD) rules at 40 Code of Federal Regulations Part 52.21(b)(1)(i)(A).

In reviewing the information provided in your letter, we have determined that, for PSD applicability purposes, the Ewing mine is not a fuel conversion plant. While there are no definitions in the PSD regulations for "fuel conversion plant", the United States Environmental Protection Agency relies on case-by-case determinations in assessing source applicability. These assessments are based on precedents established by the New Source Performance Standards and other regulatory definitions, as well as technical analysis of the character and functions of both the proposed source and the listed source categories.

Specifically, fuel conversion plants include those plants which accomplish a change in state or form for a fuel. Based on the information provided in your letter, the "treatment" of the coal at the Ewing mine would not change its state (e.g., from solid to liquid or gas). We believe that the term you used in your letter, "coal-to-synfuel conversion plant", that *synfuel* is presumed to be solid coal with a coating of organic solution. To be considered a fuel conversion facility, the source would alter the fuel through gasification, liquefaction, or

solidification. The properties of the coal do not appear to be modified through gasification, liquefaction, or solidification in this process. Additionally, we presume that the coal is not being made into a pellet form from a non-solid (powder, crushed, pulverized, etc.) form, or otherwise changing forms. Therefore, as stated above, we believe that the Ewing mine should not be considered a "fuel conversion plant" for PSD purposes.

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,


Pamela Blakley, Chief
Air Permits Section