



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

MAR 06 2012

REPLY TO THE ATTENTION OF:

John J. Kim
Interim Director
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62794-9276

Re: Notice of Finding of Cause and Request for Plan

Dear Mr. Kim:

In 2005, the Illinois Environmental Protection Agency (IEPA) issued final Clean Air Act Permit Program (CAAPP) permits for 22 coal-fired power plants in Illinois (Illinois Coal Plants). Shortly thereafter, each of the Illinois Coal Plant permittees appealed the permits to the Illinois Pollution Control Board (IPCB). In 2006, the IPCB ruled that the permits were automatically stayed in their entirety under Illinois' Administrative Procedure Act. These permits have remained stayed by the IPCB's ruling for over five years. As a result of the continuing stay, the Illinois Coal Plants operate without effective CAAPP permits, as required by Title V of the Clean Air Act (the Act) and the CAAPP. Accordingly, EPA is issuing the enclosed Notice of Finding of Cause (Notice) to IEPA for the CAAPP permit issued to Ameren Energy Generating Company's (Ameren's) Coffeen Power Station, in accordance with Section 505(e) of the Act, 42 U.S.C. § 7661d(e), and its implementing regulations.

Specifically, EPA has determined that cause exists to terminate, modify, or revoke and reissue the CAAPP permit issued to Ameren for the Coffeen Power Station, located at 134 CIPS Lane, Coffeen, Montgomery County, Illinois. EPA is making this determination because the permit that IEPA issued for Ameren's Coffeen Power Station has not become effective and does not assure compliance with all applicable requirements of Title V of the Act. This Notice requires IEPA to submit a proposed determination of termination, modification, or revocation and reissuance for the CAAPP permit issued to Ameren's Coffeen Power Station to EPA for review within 90 days of receipt of this Notice.

Additionally, EPA is requesting a plan for issuance of effective CAAPP permits for the other Illinois Coal Plants. This plan should be submitted within 30 days of receipt of this letter, and include the following information:

1. A detailed description for each step that IEPA will take to issue effective permits for the remaining 21 Illinois Coal Plant CAAPP permits currently stayed by the IPCB.
2. A list of dates by which each step in the plan will occur.
3. A chronological list of the permits that IEPA will issue. This list should prioritize the Illinois Coal Plants that are expected to continue operating over those planning to shutdown in the near future (as evidenced by public statements made by Plant operators).

Should you have any questions, please feel free to contact George Czerniak, Acting Director, Air and Radiation Division, at (312) 353-2212, or Robert Kaplan, Regional Counsel, at (312) 886-1499.

Sincerely yours,



Susan Hedman
Regional Administrator

Enclosure

cc: Michael L. Menne, Vice President
Ameren Energy Generating Company, Environmental Services

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	
)	
Illinois Environmental Protection Agency)	Proceeding Pursuant to Title V
State of Illinois)	of the Clean Air Act,
Ameren Energy Generating Company)	42 U.S.C. § 7661 <i>et seq.</i>
Title V Permit ID No. 135803AAA)	
Coffeen Power Station)	
)	

NOTICE OF FINDING OF CAUSE

The U.S. Environmental Protection Agency (EPA) is issuing this Notice of Finding of Cause (Notice) to the Illinois Environmental Protection Agency (IEPA), finding that cause exists to terminate, modify, or revoke and reissue the Title V permit issued to Ameren Energy Generating Company (Ameren) for the Coffeen Power Station, located at 134 CIPS Lane, Coffeen, Montgomery County, Illinois.

EPA is issuing this Notice pursuant to Section 505(e) of the Clean Air Act (the Act), 42 U.S.C. § 7661d(e), and its implementing regulations at 40 C.F.R. § 70.7. The authority to issue this Notice has been delegated to the Regional Administrator of EPA, Region 5.

STATUTORY AND REGULATORY BACKGROUND

1. The Act is designed to protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population. Section 101(b)(1) of the Act, 42 U.S.C. § 7401(b)(1).
2. Title V of the Act, 42 U.S.C. § 7661 *et seq.*, and its implementing regulations at 40 C.F.R. Part 70, provide for the establishment of comprehensive State air quality operating permitting systems consistent with the requirements of Title V of the Act.
3. Pursuant to Section 502 of the Act, 42 U.S.C. § 7661a, and 40 C.F.R. Part 70, each State is required to develop and submit to EPA for approval an operating permit program meeting the requirements of Title V and its implementing regulations.
4. Pursuant to Section 502 of the Act, 42 U.S.C. § 7661a, and 40 C.F.R. § 70.4, IEPA developed and submitted to EPA a program for issuing operating permits to all major stationary sources and to certain other sources. EPA promulgated final interim approval of the Illinois Title V program on March 7, 1995.¹ On May 31, 2001, IEPA submitted amendments to its Title V program for EPA approval. EPA fully approved Illinois' Title V program on November 30, 2001.²

¹ 60 Fed. Reg. 12478 (March 7, 1995).

² 66 Fed. Reg. 62946 (December 4, 2001).

5. Pursuant to Section 502(a) of the Act, 42 U.S.C. § 7661a(a), it is unlawful for any person to, among other things, operate a major source subject to Title V except in compliance with a Title V permit. Pursuant to 40 C.F.R. §§ 70.1(b) and 70.6(a), all sources subject to Title V shall have a permit to operate that assures compliance by the source with all applicable requirements.
6. Pursuant to 40 C.F.R. § 70.2, "major source" is defined as, among other things, a major stationary source of air pollutants that directly emits or has the potential to emit 100 tons per year or more of any air pollutant subject to regulation.
7. Pursuant to Section 505(e) of the Act, 42 U.S.C. § 7661d(e), and 40 C.F.R. § 70.7(g)(1), if EPA finds that cause exists to terminate, modify, or revoke and reissue a permit pursuant to 40 C.F.R. § 70.7(f), EPA will notify the permitting authority and the permittee of such finding in writing.
8. Pursuant to 40 C.F.R. § 70.7(f)(iv), a permit shall be reopened and revised when, among other things, EPA or the permitting authority determines that the permit must be revised or revoked to assure compliance with the applicable requirements under the Act.

FINDINGS OF FACT

9. IEPA is the State air pollution control agency authorized by EPA to carry out the Title V permit program for Illinois.
10. Ameren owns and operates a coal-fired power plant for the generation of electricity, known as the Coffeen Power Station, located at 134 CIPS Lane, Coffeen, Montgomery County, Illinois.
11. The Coffeen Power Station consists of the following: Boiler CB1 (a Babcock & Wilcox Boiler with nominal capacity of 3,282 mmBTU/hr); Boiler CB2 (a Babcock & Wilcox Boiler with nominal capacity of 5,544 mmBTU/hr); an auxiliary boiler, CB-AUX4 (with nominal capacity of 226 mmBTU/hr); and ancillary equipment, including coal handling, coal processing, and fly ash handling. The Coffeen Power Station has a nominal capacity of about 950 megawatts of electricity.
12. The Coffeen Power Station emits or has the potential to emit 100 tpy or more of at least one of the following air pollutants subject to regulation: nitrogen oxides (NO_x), carbon monoxide (CO), particulate matter (PM), sulfur dioxide (SO₂), and/or volatile organic materials (VOM).
13. The Coffeen Power Station is a major source subject to Title V of the Act.
14. On September 29, 2005, IEPA issued a final Title V permit to Ameren for the Coffeen Power Station.
15. On November 3, 2005, Ameren filed a petition for review and motion for stay before the Illinois Pollution Control Board (IPCB), pursuant to the Illinois Administrative Procedure Act. Ameren appealed certain requirements of the Title V permit for the Coffeen Power Station.

16. On February 16, 2006, the IPCB ruled that Ameren's Title V permit for the Coffeen Power Station was stayed in its entirety. To date, the IPCB has not lifted the stay of the Title V permit for Ameren's Coffeen Power Station.

17. As a result of the continuing stay, the permit issued to Ameren's Coffeen Power Station is not effective and thus does not assure compliance with all applicable requirements, as required by Title V of the Act and 40 C.F.R. §§ 70.1(b) and 70.6(a).

FINDING OF CAUSE

18. Pursuant to Section 505(e) of the Act, 42 U.S.C. § 7661d(e), and 40 C.F.R. § 70.7(f)-(g), EPA finds that, in light of the facts set out in paragraphs 15 - 17, above, cause exists to terminate, modify, or revoke and reissue Ameren's Title V permit for the Coffeen Power Station because the permit has not become effective and does not assure compliance with all applicable requirements of the Act.

ACTION BY IEPA

19. Pursuant to Section 505(e) of the Act, 42 U.S.C. § 7661d(e), and 40 C.F.R. § 70.7(g)(2), IEPA shall, within 90 days after receipt of this Notice, forward to EPA a proposed determination of termination, modification, or revocation and reissuance for the Title V permit for Ameren's Coffeen Power Station, as appropriate.

20. Pursuant to Section 505(e) of the Act, 42 U.S.C. § 7661d(e), and 40 C.F.R. § 70.7(g)(4), if EPA objects to IEPA's proposed determination, IEPA shall have 90 days from receipt of EPA's objection to resolve any objection that EPA makes and to terminate, modify, or revoke and reissue the Title V permit for Ameren's Coffeen Power Station in accordance with EPA's objection.

REOPENING FOR CAUSE BY EPA

21. Pursuant to Section 505(e) of the Act, 42 U.S.C. § 7661d(e), and 40 C.F.R. §§ 70.7(g)(5) and 71.4(e), if IEPA fails to submit a proposed determination or fails to resolve any objection made by EPA, EPA will terminate, modify, or revoke and reissue the Title V permit for Ameren's Coffeen Power Station.

3-4-12
Date


Susan Hedman
Regional Administrator
U.S. Environmental Protection Agency
Region 5