



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

APR 22 2016

REPLY TO THE ATTENTION OF

Matt Stuckey
Chief
Permits Branch
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46204

Dear Mr. Stuckey:

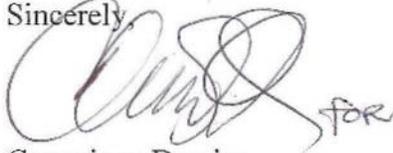
The U.S. Environmental Protection Agency has reviewed the draft significant source modification and significant permit modification for Hoosier Energy REC, Inc. – Merom Generating Station, permit numbers 153-36364-00005 and 153-36369-00005, respectively. To ensure that the source meets Federal Clean Air Act requirements, that the permit will provide necessary information so that the basis of the permit decision is transparent and readily accessible to the public, and that the permit record provides adequate support for the decision, EPA has the following comments:

- 1.) Page 3 of the technical support document (TSD) explains that consent decree (CD) requirements established in Civil Action No. 1:10-CV-0935-LJM-TAB are being incorporated as a significant source modification pursuant to 326 IAC 2-7-10.5(b)(2). This allows for requirements originally established in the CD to continue to apply after termination of the CD. However, the permit itself only cites the CD as the underlying applicable requirement and does not specify or otherwise indicate that each condition will continue to apply after termination of the CD. Each permit condition should cite both the CD and the authority granted by Indiana's State Implementation Plan (SIP) to establish these requirements in the significant source modification, either 326 IAC 2-7-10.5(b)(2) or another more appropriate requirement, as the underlying applicable requirement in the significant permit modification. The permit should also indicate that each requirement will continue to apply even after termination of the CD. We request that each of these conditions include a citation to both the CD and the appropriate SIP requirement and that the permit specifies that these conditions will continue to apply after termination of the CD.
- 2.) Condition B.1(q) incorporates the definition of "Super-Compliant NO_x Allowance" as established in paragraph 58 of the CD. Paragraph 58 of the CD further refers to reductions beyond the requirements of the CD as described in paragraph 79, which is being incorporated into the permit as Condition C.22. For enhanced permit clarity and to ensure that Condition B.1(q) applies even after termination of the CD, we request that Condition B.1(q) refer to Condition C.22 instead of the CD.

- 3.) Condition D.1.3 requires Units 1 and 2 to achieve and maintain a sulfuric acid (H_2SO_4) emission rate of no greater than 0.007 lb/MMBTU. " H_2SO_4 emission rate" is defined at Condition B.1(f) as the emission rate measured in annual stack tests in accordance with this permit. However, the permit does not include a requirement to conduct an annual stack test to determine the H_2SO_4 emission rate that is consistent with the requirements in CD paragraphs 115 and 116. We request the addition of an H_2SO_4 annual stack testing requirement to the permit that is consistent with CD paragraphs 115 and 116.
- 4.) Condition D.1.14 requires the facility to continuously operate the reagent injection system (RIS) at or above the injection rate established during the most recent stack test. However, the permit does not specify how often and with what method the injection rate will be measured. In order to ensure compliance with this requirement, the permit should require periodic RI injection rate monitoring which identifies how the injection rate will be measured and how often such a measurement will occur and should require associated recordkeeping. We request the addition of RI injection rate monitoring and recordkeeping requirements to the permit and suggest that the requirements should be consistent with the requirements contained in CD paragraph 117.
- 5.) CD paragraphs 125 through 129 currently require the use of a particulate matter continuous emission monitoring system (PM CEMS). We recommend that you consider the continued use of the PM CEMS to determine compliance with the PM emission limit.

We appreciate the opportunity to provide comments on this permit. If you have any questions, please feel free to contact Michael Langman, of my staff, at (312) 886-6867.

Sincerely,

A handwritten signature in cursive script, appearing to read "Genevieve Damico", followed by the word "for" written in a smaller, simpler font.

Genevieve Damico
Chief
Air Permits Section