



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

MAR 28 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 reviewed the draft part 70 operating permit renewal for Southern Indiana Gas and Electric Co. F. B. Culley Generating Station, permit number 173-35936-00001. To ensure that the source meets Federal Clean Air Act (CAA) 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 several comments.

On page 21 of the technical support document, the Indiana Department of Environmental Management determined that the requirements of the Cross State Air Pollution Rule (CSAPR), also known as the Transport Rule (TR), apply to Units 2 and 3, but the requirements are not included in the permit. Both CSAPR and Federal Implementation Plan (FIP) requirements¹ are applicable requirements² and, as such, must be included in the part 70 operating permit. We request that you add the CSAPR applicable requirements to the permit. To assist with incorporating the requirements into the permit, the May 13, 2015 memorandum from Anna Marie Wood, titled "Title V Permit Guidance and Template for the Cross-State Air Pollution Rule"³, provides additional guidance in how the CSAPR applicable requirements could be incorporated into the permit. The memorandum has been enclosed.

Additional comments on this permit are also enclosed.

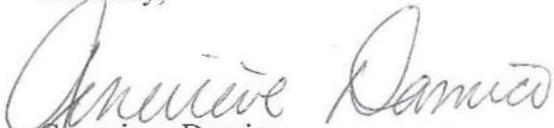
¹ 76 FR 48208. EPA also promulgated FIPs pursuant to its authority at CAA § 110(c)(1) regulating electric generating units in several states, including Indiana. The CSAPR rulemaking codified the requirements of the FIP at 40 C.F.R. §§ 52.38 and 52.39. Requirements were also codified in 40 C.F.R. 52, Subpart P, which identifies the CSAPR requirements in Indiana's implementation plan. Specifically, 40 C.F.R. §§ 52.789 and 52.790 require the facility to comply with the requirements of 40 C.F.R. Part 97, Subpart AAAAA (TR NO_x Trading Program), Subpart BBBB (TR NO_x Ozone Season Trading Program), and Subpart CCCCC (TR SO₂ Group 1 Trading Program).

² 40 C.F.R. § 70.3(c)(1) and 326 IAC 2-7-2(d)(1).

³ The memorandum "Title V Permit Guidance and Template for the Cross State Air Pollution Rule" is available online at https://www3.epa.gov/airtransport/CSAPR/pdfs/CSAPR_Title_V_Permit_Guidance.pdf.

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,


Genevieve Damico
Chief
Air Permits Section

Enclosures

Additional Comments Based on Review of the Draft Permit
Southern Indiana Gas and Electric Co. F. B. Culley Generating Station
Permit number 173-35936-00001

- 1.) On page 14 of the technical support document (TSD), a footnote to the compliance assurance monitoring (CAM) applicability table explains that CAM is not applicable for Unit 2 and Unit 3's particulate matter emissions less than 10 and 2.5 microns (PM₁₀ and PM_{2.5}). The TSD explains that the compliance monitoring requirements of 40 C.F.R. 63, Subpart UUUUU are more stringent than the requirements of CAM for PM₁₀ and PM_{2.5}. However, the TSD does not include an analysis demonstrating that the compliance monitoring requirements under 40 C.F.R. 63, Subpart UUUUU are more stringent than CAM requirements. In particular, the record is not clear regarding which specific compliance monitoring requirements are more stringent than CAM. Also, the record is not clear regarding what monitoring under CAM would have been required in the permit if not for compliance monitoring required by 40 C.F.R. 63, Subpart UUUUU. Please provide additional justification supporting the determination that CAM for Unit 2 and Unit 3's PM₁₀ and PM_{2.5} emissions are not applicable. We also request that you clearly identify which 40 C.F.R. 63, Subpart UUUUU requirements are more stringent than CAM.
- 2.) Condition D.3.2(a) requires the source to operate air pollution control devices at all times that the associated coal handling facilities are in operation except as otherwise provided by statute or rule or in this permit. We request that you clarify and identify in the permit, if necessary, which specific statutes, rules, or permit requirements would preclude operation of the air pollution control devices.
- 3.) Conditions E.1.2 and E.2.2 incorporate 40 C.F.R. 60, Subpart OOO and 40 C.F.R. 63, Subpart UUUUU into the permit. Each condition identifies the applicable requirements by part and section in each rule but do not specifically identify the requirements in each section that would apply to each affected unit or facility. As written, it is unclear what specific requirements would apply to the facility. For example, condition E.1.2(5) incorporates 40 C.F.R. § 60.674 in its entirety, but 40 C.F.R. § 60.674(a) applies to affected facilities that use a wet scrubber to control emissions, but it's not clear whether any affected facilities are equipped with a wet scrubber. As another example, condition E.2.2(11) incorporates 40 C.F.R. § 63.10010 in its entirety, but 40 C.F.R. § 63.10010(a)(2) gives the source a choice between one of two monitoring options. For conditions E.1.2 and E.2.2, we request that you identify the specific requirements that apply to each emissions unit.
- 4.) Conditions E.1.2, E.2.2, and E.3.2 incorporate the applicable requirements from 40 C.F.R. 60, Subpart OOO, 40 C.F.R. 63, Subpart UUUUU, and 40 C.F.R. 63, Subpart ZZZZ. Each condition does not specifically identify applicable requirements contained in tables included in each rule. Specifically, 40 C.F.R. 60, Subpart OOO, tables 2 and 3, 40 C.F.R. 63, Subpart UUUUU, tables 2, 3, 5, 7, 8, and 9, and 40 C.F.R. 63, Subpart ZZZZ, tables 2c, 6, 7, and 8 may be applicable. We request that you determine whether any applicable requirements are included in any of the previously listed tables or other

tables included in each rule and to include the applicable requirements from each table in the permit.

- 5.) Condition E.3.2 incorporates the requirements of 40 C.F.R. 63, Subpart ZZZZ. However, several requirements were not included in the permit. In particular, 40 C.F.R. §§ 63.6625(e), (f), (h) and (i), 63.6640(a), 63.6650(a) and (h), and 63.6655(d) and (e) may be applicable requirements that should be included in the permit. We request that you evaluate whether these and all other applicable 40 C.F.R. 63, Subpart ZZZZ requirements are included in the permit and incorporate any that are missing into the permit.