

PETITION

1. Petitioner is Indianapolis Power & Light Company (IPL) which owns/operates the Harding Street Generating Station (#097-00033) located at 3700 South Harding Street in Indianapolis, Indiana 46217.
2. Pursuant to 326 IAC 3-5-1(c)(2)(A)(iii), the Petitioner is requesting approval to demonstrate compliance with applicable particulate matter (PM) limits by continuously monitoring PM emissions from the scrubbed stack associated with Unit 7 at the Harding Street Generating Station in lieu of the requirement to monitor opacity at 326 IAC 3-5-1(c)(2)(A).
3. 326 IAC 3-5-1(c)(2)(A)(iii) provides that IDEM may approve an alternative requirement when "installation of an opacity monitoring system would not provide accurate determinations of emissions as a result of interference from condensed uncombined water vapor."
4. The continuous opacity monitoring system (COMS) currently being operated on the scrubbed stack associated with Unit 7 is located in ductwork prior to the unit's scrubber. To locate a COM in the stack after the scrubber would be unacceptable due to the presence of condensed, uncombined water vapor. The Petitioner claims that this location provides unrepresentative data because operation of the scrubber removes particulate emissions. Therefore, the Petitioner believes that an alternative monitoring plan to monitor particulate emissions using a PM continuous emissions monitoring system (CEMS) on the Unit 7 scrubbed stack is acceptable.

FINDINGS

1. IDEM agrees that a COMS installed after the Petitioner's wet scrubber control device would not provide accurate determinations of opacity due to the interference from condensed, uncombined water with a COM's light beam. IDEM also agrees that a PM CEMS installed and calibrated according to the requirements of PS-11 and any other applicable requirements is the preferred way to determine the particulate emission rate after a wet scrubber.

CONDITIONS OF APPROVAL

1. The Petitioner shall install and operate an approved PM CEMS on the Unit 7 scrubbed stack.
2. The alternative monitoring plan shall consist of the following two phases to cover the period between the granting of a variance to allow discontinuation of COMS operation (see below) and U.S. EPA State Implementation Plan (SIP) approval of the alternate opacity monitoring plan.

- A) During the period between IDEM's approval of a variance allowing discontinuation of COMS operation and successful PM CEMS certification, the Petitioner agrees to continue to abide by the Compliance Monitoring Requirements applicable to Unit 7's scrubbed stack in Conditions D.1.11 and D.1.12 of Operating Permit No. T097-6566-00033 as set forth in the Settlement Agreement and Joint Agreement and Motion for Stay filed with the Office of Environmental Adjudication on October 20, 2008. The COMS will continue operation during this period.
 - B) After completion of the PM CEMS certification, but prior to SIP approval of the alternative opacity monitoring plan, operation of the COMS and the compliance monitoring provisions applicable to Unit 7's scrubbed stack in Conditions D.1.11 and D.1.12 will be discontinued and compliance with PM limits will be demonstrated using a certified PM CEMS and all associated PM CEMS requirements, i.e., U.S. EPA Performance Specification 11 (PS-11).
3. Upon successful completion of the certification of the PM CEMS, the Petitioner shall submit all required certification testing information to the IDEM Office of Air Quality. From that point on, PM compliance will be continuously monitored by the associated PM CEMS; and Harding Street Station's Title V permit will be amended to reflect this change and include all applicable operation, quality assurance and averaging requirements.

ORDER

1. This Order approves the petition submitted by the Petitioner subject to the Conditions of the Approval and allows Petitioner to operate according to an alternative monitoring plan for PM CEMS for Unit 7's scrubbed stack at Harding Street Generating Station in lieu of monitoring opacity with a COMS in accordance with 326 IAC 3-5-1(c)(2)(A)(iii).
2. This Order shall apply to and be binding upon the Petitioner, its successors and assigns. No change in ownership, corporate, or partnership status of the Petitioner shall in any way alter its status or responsibilities under this Order.

VARIANCE

Pursuant to 326 IAC 3-5-1(c)(2) fossil-fuel fired steam generators of greater than 100 hundred million BTU per hour heat input capacity are required to monitor for opacity, unless an alternative monitoring request has been granted by the department. The rule also states that an alternative monitoring request granted by the department shall be submitted to U.S. EPA as a SIP revision and shall not be in effect until approved as a SIP revision.

The Petitioner states that compliance with the COMS requirement while waiting for U.S. EPA SIP approval of the Commissioner's Order #2008-02 would be an "undue hardship or burden" for the reasons presented below and has requested a variance from the requirement of 326

IAC 3-5-1 to continuously monitor opacity for Unit 7's scrubbed stack at the Harding Street Generating Station per IC 13-14-8-8:

1. The Petitioner maintains that to continue to operate, maintain and quality assure a COMS system when a fully functional and certified PM CEMS system is on-line and operating would be an unnecessary financial burden. A variance is needed to bridge the time period between successful certification of a PM CEMS and U.S. EPA SIP approval of the alternative monitoring plan approved by IDEM above. In this interim period, the Petitioner would discontinue use of their COMS and associated compliance monitoring requirements applicable to Unit 7's scrubbed stack in Conditions D.1.11 and D.1.12 and agrees to demonstrate compliance with the Unit 7 scrubbed stack PM limit using the PM CEMS.
2. Operating COMS in the ductwork prior to the Unit 7 scrubber would not be representative of actual emissions since the scrubber removes particulate emissions. Opacity is a surrogate measurement for continuous compliance with the PM limits. Since PM will be measured continuously with CEMS, the monitoring of opacity should not be necessary.

In making a decision on a variance request, and whether compliance with the rule constitutes an undue burden or hardship, IDEM considers the environmental impact of the variance request, the presence of unique circumstances that set the situation apart from the others who must comply with the rule, and the financial impact on the company.

Based on the foregoing information, IDEM finds the following:

1. IDEM is, under Commissioner's Order #2008-02, granting approval of the alternative monitoring plan that will be in place once the Unit 7 scrubber stack PM CEMS system is certified but, prior to formal SIP approval by the U.S. EPA. The alternative monitoring plan will ensure that the source is monitoring for compliance with particulate matter emission limitations while U.S. EPA is approving the plan into the SIP.
2. A PM CEMS installed and calibrated according to the requirements of PS-11 and any other applicable requirements is the preferred way to determine the particulate emission rate after a wet scrubber.
3. This variance from operating a COMS on Unit 7's scrubbed stack and compliance with the requirements applicable to Unit 7's scrubbed stack in Conditions D.1.11 and D.1.12 is granted for the time period between successful certification of a PM CEMS and U.S. EPA approval of the alternative monitoring plan.

Based on these findings, the Office of Air Quality, IDEM, has determined that the request submitted by the Petitioner satisfies the criteria delineated in IC 13-14-8-8 for granting a variance. The issuance of this variance is subject to the conditions in Commissioner's Order #2008-02 for an alternative monitoring plan for PM CEMS for Unit 7 at Harding Street Generating Station. This variance expires one (1) year from the effective date. This is a variance from state law only and does not change federally approved SIP requirements.

EFFECTIVE DATE OF ORDER

Pursuant to IC 4-21.5-3-5, IDEM will give notice of this Order to each person whom the order is directed, affected neighbors, and in a newspaper of general circulation in the county affected by this order.

Pursuant to 40 CFR 51.102, this Order will be submitted to the U.S. Environmental Protection Agency as a revision to the Indiana state implementation plan. Upon approval by the U.S. Environmental Protection Agency, this Order will be part of the Indiana state implementation plan.

This Order becomes effective on the eighteenth (18th) day after this Order and notice of decision are deposited in the U.S. mail. Under IC 4-21.5-3-2(e), IC 4-21.5-3-5, and IC 4-21.5-3-7(a)(3) this Order may be appealed by filing a petition for review within eighteen (18) days after the date that affected persons were given notice through service by U.S. mail. A petition for review must be submitted to the Office of Environmental Adjudication (OEA), 100 North Senate Avenue, Room N-501 E, Indianapolis, Indiana 46204 as required by IC 4-21.5-3-7. The petition must contain facts demonstrating you are either the applicant, the person aggrieved or adversely affected by this decision, or otherwise entitled to review by law. Pursuant to IC 4-21.5-3-5(d), the Administrative Law Judge will provide parties who request review with notice of prehearing conferences, preliminary hearings, stays or orders disposing of all proceedings.

Persons seeking judicial review of this Order or Variance may do so in accordance with IC 4-21.5-5.

If you have procedural or scheduling questions regarding your request for review you may contact the Office of Environmental Adjudication at (317) 232-8591. If you have questions about this Order or Variance, please contact Susan Bem, Rules Development Section, Office of Air Quality, (317) 233-5697 or (800) 451-6027, press 0 and ask for extension 3-5697 (in Indiana) or email at sbem@idem.in.gov.

Dated at Indianapolis, Indiana, this 31ST day of OCTOBER, 2008.



Thomas W. Easterly
Commissioner