



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

SEP 23 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

REPLY TO THE ATTENTION OF:

Jeff Harter, Petersburg Station
Indianapolis Power & Light Company
1 Monument Circle
Indianapolis, Indiana 46204

Re: Notice and Finding of Violation
Indianapolis Power and Light Company
Petersburg, Indiana

Dear Mr. Harter:

The U.S. Environmental Protection Agency is issuing the enclosed Notice and Finding of Violation ("NOV/FOV") to Indianapolis Power and Light Company ("you") under Section 113(a) of the Clean Air Act, 42 U.S.C. § 7413(a). We find that you have violated the following at the Petersburg, Indiana Generating Station: the New Source Performance Standards for Fossil Fuel Fired Steam Generators for Which Construction Is Commenced After August 17, 1971, at 40 C.F.R. Part 60, Subpart D; the Indiana State Implementation Plan; and your Title V operating permit.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contacts in this matter are Shilpa Patel and Ethan Chatfield. You may call her or him at (312) 886-0120 or (312) 886-5112, respectively, to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



George T. Czerniak
Director
Air and Radiation Division

Enclosure

cc: Phil Perry, Branch Chief
Office of Air Quality / Compliance Branch
Indiana Department of Environmental Management
100 North Senate Avenue / Room IGCN 1003
Indianapolis, Indiana 46204-2251

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:)	
)	
Indianapolis Power & Light Company)	NOTICE OF VIOLATION and
Petersburg, Indiana)	FINDING OF VIOLATION
)	
)	EPA-5-15-IN-11
Proceedings Pursuant to)	
the Clean Air Act)	
42 U.S.C. §§ 7401 <i>et seq.</i>)	

NOTICE AND FINDING OF VIOLATION

The Indianapolis Power & Light Company (“you” or “IPL”) owns and operates four coal-fired boilers at the Petersburg Generating Station located in Petersburg, Indiana (“the Petersburg Generating Station” or “the facility”). The boilers are identified as Boiler 1, Boiler 2, Boiler 3 and Boiler 4.

The U.S. Environmental Protection Agency is sending this Notice of Violation and Finding of Violation (“NOV/FOV”) to notify you that we have found opacity emissions from Boiler 3 at the facility are in excess of the limits specified in the following: the New Source Performance Standards for Fossil Fuel Fired Steam Generators for Which Construction Is Commenced After August 17, 1971 at 40 C.F.R. Part 60, Subpart D (“NSPS”); the Indiana State Implementation Plan (“Indiana SIP”); and your Title V operating permit. These exceedances constitute violations of the Clean Air Act (the “Act” or “CAA”).

Section 113 of the Act provides you with the opportunity to request a conference with us to discuss the violations alleged in the NOV/FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply and the steps you will take to prevent future violations. Please plan for the facility’s technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

STATUTORY AND REGULATORY AUTHORITY

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).

Indiana State Implementation Plan

2. Pursuant to Section 110 of the Act, 42 U.S.C. § 7410, EPA approved 326 IAC 5-1; Opacity Limitations, as part of the federally enforceable Indiana SIP for Particulate Matter (PM) on July 16, 2002 (67 Fed. Reg. 46589).

3. 326 IAC 5-1-2 states that, unless otherwise stated, opacity shall meet the following limitations: (A) Opacity shall not exceed an average of forty percent in any one six-minute averaging period, and (B) Opacity shall not exceed sixty percent for more than a cumulative total of fifteen minutes in a six-hour period.

New Source Performance Standards

4. Pursuant to Section 111 of the Act, 42 U.S.C. § 7411, EPA promulgated 40 C.F.R. Part 60, subpart D. This includes § 60.42(a)(2), which states that “no owner or operator subject to the provisions of this subpart shall cause to be discharged into the atmosphere from any affected facility any gases that: exhibit greater than 20 percent opacity except for one six-minute period per hour of not more than 27 percent opacity.”

Title V

5. Section 502(d)(1) of the Act, 42 U.S.C. § 7661a(d)(1), requires each State to develop and submit to EPA an operating permit program which meets the requirements of Title V. On November 14, 1995 (60 Fed. Reg. 57188), EPA granted Indiana interim approval of its program, with final approval on July 30, 2001 (66 Fed. Reg. 39293).

6. EPA promulgated full approval of Indiana’s Title V program on December 4, 2001. Indiana’s Title V program became effective on November 30, 2001 (66 Fed. Reg. 62969).

7. The Indiana regulations governing the Title V permitting program are codified at 326 IAC 2-7.

8. The Indiana Department of Environmental Management (“IDEM”) issued a Title V Operation Permit (T 125-6565-00002) to IPL for the Petersburg Generating Station on December 22, 2008 and July 18, 2013. Additionally, IDEM issued a Second Significant Permit Modification (T125-33773-0002) on June 18, 2015. The permit contains the following relevant provisions for purposes of this NOV/FOV:

- a. Section C.2 – Opacity: Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), “opacity shall meet the following, unless otherwise stated in this permit: (a) Opacity shall not exceed an average of forty percent in any one six minute averaging period as determined in 326 IAC 5-1-4. (b) Opacity shall not exceed sixty percent for more than a cumulative total of fifteen minutes in a six hour period.”

twenty percent (20%) opacity except for one six-minute period per hour of not more than twenty-seven percent (27%) opacity.

FACTUAL BACKGROUND

9. IPL is an Indiana corporation.
10. IPL is a "person," as that term is defined in Section 302(e) of the Act, 42 U.S.C § 7602(e).
11. At all times relevant to this NOV/FOV, IPL was the owner and/or operator of the Petersburg Generating Station.
12. The Petersburg Generation Station has four steam generating boilers used to produce electricity provided to the grid. These boilers, Boilers 1 through 4, are all coal-fired boilers.
13. Petersburg Boiler 3 is subject to requirements of the Indiana SIP, NSPS Subpart D and Title V.
14. At all times relevant to this NOV/FOV, the Petersburg Generating Station has been located in an area that was classified as attainment or unclassifiable for PM, pursuant to Section 107(d) of the Act, 42 U.S.C. § 7407(d).
15. On July 13, 2015, EPA took visible emissions readings of the stack for Boiler 3 at the Petersburg Generation Station in accordance with EPA Alt. Method 082 and observed a maximum 6-minute average opacity of 52.7%. EPA observed opacity in excess of the NSPS limit of 20% and the Indiana SIP limit of 40% for seventeen 6-minute periods.
16. On July 13, 2015, EPA took visible emissions readings of the stack for Boiler 3 at the Petersburg Generation Station in accordance with EPA Method 9 and observed a maximum 6-minute average opacity of 53%. EPA observed opacity in excess of the NSPS limit of 20% and Indiana SIP limit of 40% limit for twenty-five 6-minute periods.
17. On July 14, 2015, IDEM took visible emissions readings of the stack for Boiler 3 at the Petersburg Generation Station in accordance with EPA Method 9 and observed a maximum 6-minute average opacity of 40.8%. IDEM observed opacity in excess of the NSPS limit of 20% for seven 6-minute periods and Indiana SIP limit of 40% for one six 6-minute periods.
18. On July 20, 2015, EPA took visible emissions readings of the stack for Boiler 3 at the Petersburg Generation Station in accordance with Method Alt. 082 and observed a maximum 6-minute average opacity of 52.7%. EPA observed opacity in excess of the 20% and 40 % limit for twenty-seven 6-minute periods.

VIOLATIONS

19. IPL's Boiler 3 violated and continues to violate the Indiana SIP, NSPS Subpart D, and its Title V Permit by exceeding the 20% and 40% opacity limitation, as a 6-minute average.

VIOLATIONS

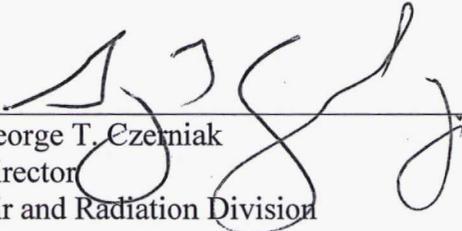
19. IPL's Boiler 3 violated and continues to violate the Indiana SIP, NSPS and its Title V Permit by emitting PM in excess of the applicable opacity limits.

Environmental Impact of Violations

20. Violation of the opacity limits increases public exposure to unhealthy particulate matter. Particulate matter, especially fine particulate, contributes to respiratory problems, lung damage and premature deaths.

9/23/15

Date



George T. Czerniak
Director
Air and Radiation Division

CERTIFICATE OF MAILING

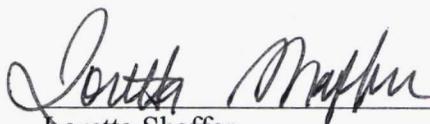
I, Loretta Shaffer, certify that I sent a Notice and Finding of Violation, No. EPA-5-15-IN-11, by Certified Mail, Return Receipt Requested, to:

Jeff Harter, Environmental Manager
Indianapolis Power & Light Company
Petersburg Generating Station
6925 N. State Road 57
P.O. Box 436
Petersburg, Indiana 47567-0436

I also certify that I sent copies of the Notice of Violation and Finding of Violation by first-class mail to:

Phil Perry, Branch Chief
Office of Air Quality / Compliance Branch
Indiana Department of Environmental Management
100 North Senate Avenue/Room IGCN 1003
Indianapolis, Indiana 46204-2251

On the 24 day of September 2015.



Loretta Shaffer
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7014 2870 0001 9581 4335