



State of Ohio Environmental Protection Agency

STREET ADDRESS:

Lazarus Government Center
50 W. Town St., Suite 700
Columbus, Ohio 43215

TELE: (614) 644-3020 FAX: (614) 644-3184
www.epa.state.oh.us

MAILING ADDRESS:

P.O. Box 1049
Columbus, OH 43216-1049

April 24, 2007

CERTIFIED MAIL

9171082133393109693789

0278060023 - Niles

RE: Preliminary Proposed Title IV
Chapter 3745-103 permits

Orion Power MidWest, L.P.
Stephen S. Davies
121 Champion Way, Suite 200
Canonsburg, PA 15317

Dear Mr. Davies:

You are hereby notified that the Ohio Environmental Protection Agency has prepared the enclosed preliminary proposed Title IV permits for the facilities referenced above. The purpose of these preliminary proposed permits is to allow you the opportunity to review the suggested language prior to proposal to the U.S. EPA. We intend to issue these permits with an effective date of January 1, 2008 upon final issuance. Your comments or a request for a meeting concerning these preliminary proposed permits should be submitted within 14 days of the date of your receipt of this letter. Comments should be submitted to:

Dana Thompson
Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049

If you have any questions about these preliminary proposed Title IV permits, please contact Dana Thompson at (614) 644 - 3701.

Sincerely,

Michael Ahern, Manager
Permit Issuance and Data Management Section
Division of Air Pollution Control

cc: Jim Orlemann, DAPC Engineering
Robert Miller, U.S. EPA Clean Air Markets Division
Pamela Blakley, U.S. EPA Region 5
Michelle F. Duncan, Orion Power Midwest

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director



TITLE IV ACID RAIN PERMIT - PRELIMINARY PROPOSED PERMIT

Effective Date: Facility ID: 0278060023 B001

Expiration Date: SIC Code: 4911 ORIS Code: 2861

This document constitutes issuance for:

NILES, 1047 Belmont, Niles, Ohio 44446

of a Title IV Acid Rain Permit for:

Unit #1

General Terms & Conditions

1. Statement of Basis

In accordance with Ohio Revised Code Section 3704 and Titles IV and V of the Clean Air Act, the Ohio Environmental Protection Agency issues this permit pursuant to Ohio Administrative Code Chapters 3745-103 and 3745-77.

2. Sulfur Dioxide (SO₂) Allowance Allocations

Sulfur dioxide (SO₂) emissions limitations for affected units in the Acid Rain Program are denoted in allowances, which represent tons of SO₂. Within the Title IV Acid Rain Permit, the number of allowances by U.S. EPA to specific affected units are indicated in the below SO₂ Allowance Allocation Table.

YEAR		2008	2009	2010	2011	2012
UNIT 1	SO ₂ Allowances under Table 2 of 40 CFR Section 73.10	2994	2994	3000	3000	3000

Title IV Acid Rain Permit - Preliminary Proposed Permit - 0278060023 B001

The number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. This situation does not necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

3. Nitrogen Oxides (NO_x) Requirements

This unit has a maximum continuous steam flow at one hundred per cent of load of less than or equal to one thousand sixty pounds per hour, and consequently is exempt from the NO_x emission limitation for cyclone boilers under 40 CFR Part 76.6.

The requirements in this permit are designed to meet Title IV of the Clean Air Act and the corresponding regulations of U.S. EPA and Ohio EPA. Compliance with this permit does not relieve the owners and operators of their duty to comply with any applicable requirements of 3745-14-01 through 3745-14-11 of the Ohio Administrative Code.

4. Comments, Notes, and Justifications

This section contains any statements of factual, legal, and policy considerations used in the issuance of this final Title IV Acid Rain Permit.

Conditional Repowering plan not activated.

5. Permit Application

Attached as part of this permit is the permittee's Title IV Acid Rain Permit application. The application contains additional conditions, terms and limitations that must be met and that are a part of this permit. The application identifies the affected source, affected units, and specifies standard requirements (Permit Requirements, Monitoring Requirements, Sulfur Dioxide Requirements, Nitrogen Oxides Requirements, Excess Emissions Requirements, Record keeping and Reporting Requirements, Liability, and Effect on Other Authorities).

ATTACHED.

Title IV Acid Rain Permit - Preliminary Proposed Permit - 0278060023 B001

6. Permit Renewal

Approximately six months prior to the expiration date of this permit, a notice regarding the renewal of this permit will be sent to the permittee's designated facility contact. It is the permittee's responsibility to renew this permit even if no notice of its expiration is received. If you are not contacted, please contact:

Ohio EPA, DAPC
Title IV Permit Writer
P.O. Box 1049
Columbus, OH 43216-1049
(614) 644-2270

OHIO ENVIRONMENTAL PROTECTION AGENCY

Chris Korleski
Director



TITLE IV ACID RAIN PERMIT - PRELIMINARY PROPOSED PERMIT

Effective Date:

Facility ID: 0278060023 B002

Expiration Date:

SIC Code: 4911 ORIS Code: 2861

This document constitutes issuance for:

NILES, 1047 Belmont Ave., Niles, OH 44446

of a Title IV Acid Rain Permit for:

Unit #2

General Terms & Conditions

1. Statement of Basis

In accordance with Ohio Revised Code Section 3704 and Titles IV and V of the Clean Air Act, the Ohio Environmental Protection Agency issues this permit pursuant to Ohio Administrative Code Chapters 3745-103 and 3745-77.

2. Sulfur Dioxide (SO₂) Allowance Allocations

Sulfur dioxide (SO₂) emissions limitations for affected units in the Acid Rain Program are denoted in allowances, which represent tons of SO₂. Within the Title IV Acid Rain Permit, the number of allowances by U.S. EPA to specific affected units are indicated in the below SO₂ Allowance Allocation Table.

SO ₂ ALLOWANCE ALLOCATION							
YEAR		2007	2008	2009	2010	2011	2012
UNIT 2	SO ₂ Allowances under Table 2 of 40 CFR Section 73.10	3923	3923	3923	3930	3930	3930

Title IV Acid Rain Permit - Preliminary Proposed Permit - 0278060023 B002

The number of allowances actually held by an affected source in a unit account may differ from the number allocated by U.S. EPA. This situation does not necessitate a revision to the unit SO₂ allowance allocations identified in this permit (See 40 CFR 72.84).

3. Nitrogen Oxides (NO_x) Requirements

This unit has a maximum continuous steam flow at one hundred per cent of load of less than or equal to one thousand sixty pounds per hour, and consequently is exempt from the NO_x emission limitation for cyclone boilers under 40 CFR Part 76.6.

The requirements in this permit are designed to meet Title IV of the Clean Air Act and the corresponding regulations of U.S. EPA and Ohio EPA. Compliance with this permit does not relieve the owners and operators of their duty to comply with any applicable requirements of 3745-14-01 through 3745-14-11 of the Ohio Administrative Code.

4. Comments, Notes, and Justifications

This section contains any statements of factual, legal, and policy considerations used in the issuance of this final Title IV Acid Rain Permit.

None.

5. Permit Application

Attached as part of this permit is the permittee's Title IV Acid Rain Permit application. The application contains additional conditions, terms and limitations that must be met and that are a part of this permit. The application identifies the affected source, affected units, and specifies standard requirements (Permit Requirements, Monitoring Requirements, Sulfur Dioxide Requirements, Nitrogen Oxides Requirements, Excess Emissions Requirements, Record keeping and Reporting Requirements, Liability, and Effect on Other Authorities).

ATTACHED.

Title IV Acid Rain Permit - Preliminary Proposed Permit - 0278060023 B002

6. Permit Renewal

Approximately six months prior to the expiration date of this permit, a notice regarding the renewal of this permit will be sent to the permittee's designated facility contact. It is the permittee's responsibility to renew this permit even if no notice of its expiration is received. If you are not contacted, please contact:

Ohio EPA, DAPC
Title IV Permit Writer
P.O. Box 1049
Columbus, OH 43216-1049
(614) 644-2270

OHIO ENVIRONMENTAL PROTECTION AGENCY

Chris Korleski
Director



POWER MIDWEST

2000 CLIFF MINE ROAD • SUITE 200 • PITTSBURGH, PA 15275

June 26, 2002

Mr. Dana Thompson
Ohio EPA
Division of Air Pollution Control
Lazarus Government Center
122 S. Front Street
Columbus, OH 43215

*Re: Acid Rain Phase II Permit Renewal Application
Niles Power Plant (ORIS Code 2861)*

Dear Mr. Thompson:

In accordance with 40 CFR § 72.30(c) and 40 CFR § 76.9(d), Orion Power MidWest a wholly owned subsidiary of Reliant Energy, on behalf of Niles Power Plant, hereby submits the attached Acid Rain Phase II Permit Renewal Application and NOx Compliance Plan to the Department. As you know, the current Acid Rain Permit expires on December 31, 2002. Although the Acid Rain Permit has been rolled into the Title V Permit, the expiration dates between the Title V Permit and the Acid Rain Permit have not been synchronized.

Please contact me at 412-809-1631 if you have any questions regarding this application.

Sincerely,

A handwritten signature in cursive script that reads "Michelle F. Duncan".

Michelle F. Duncan
Environmental Specialist
Orion Power MidWest, a wholly owned subsidiary of Reliant Energy

Attachment

cc: USEPA, Region V, Chicago, IL (w/ attachment)
Keith Bastian
Steve Brown

STEP 3

Read the
standard
requirements

Permit Requirements

- (1) The designated representative of each affected source and each affected unit at the source shall:
 - (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
 - (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
 - (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
 - (ii) Have an Acid Rain Permit.

Monitoring Requirements

- (1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.
- (2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements

- (1) The owners and operators of each source and each affected unit at the source shall:
 - (i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
 - (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
 - (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 - (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
- (4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

STEP 3,
Cont'd.

Nitrogen Oxides Requirements The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements

- (1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
- (2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
 - (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
 - (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

- (1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:
 - (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
 - (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
 - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
 - (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

- (1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
- (2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
- (3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

Step 3,
Cont'd.

Liability, Cont'd.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.

(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(2) Limiting the number of allowances a unit can hold; *provided*, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;

(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

STEP 4

Read the
certification
statement,
sign, and
date

Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name	James V. Locher	
Signature	James V. Locher	Date 6/28/02