

OhioEPA
State of Ohio Environmental Protection Agency

Street Address:

Lazarus Gov. Center
122 S. Front Street
Columbus, OH 43215

TELE: (614) 644-3020 FAX: (614) 644-2329

Mailing Address:

Lazarus Gov. Center
P.O. Box 1049
Columbus, OH 43216-1049

December 10, 2003

CERTIFIED MAIL

0744000150 - Hanging Rock Energy Facility

Duke Energy North America, LLC
Steven F. Gilliland
5400 Westheimer Ct.
Houston, Texas 77056-5310

RE: Draft Title IV Chapter 3745-103
permits - Units CTG1, CTG2,
CTG3, and CTG4

Dear Mr. Gilliland:

You are hereby notified that the Ohio Environmental Protection Agency has prepared the enclosed drafts of the Title IV permits for the facility referenced above. The purpose of these drafts is to solicit public comments concerning the issuance of final permits. A public notice concerning each draft will appear in the Ohio EPA Weekly Review and the major newspaper in the county where the facility is located. Comments concerning these draft permits and/or requests for a public hearing must be submitted within 30 days of the date of publication in the newspaper. Comments or requests for public hearing should be submitted to :

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

You will be notified in writing if a public hearing is scheduled.

A decision on issuance of each final Title IV permit will be made after consideration of written public comments and oral testimony (if a public hearing is conducted). After the comment period, you will be provided a copy of each preliminary proposed Title IV permit and an opportunity to comment prior to submittal of the proposed Title IV permit to USEPA.

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

Sincerely,

Michael W. Ahern

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
Cecilia Mijares, U.S. EPA Region 5
Craig J. Bressan, Duke Energy
Kenneth F. Gestel, Duke Energy

LAWRENCE

PUBLIC NOTICE

ISSUANCE OF DRAFT TITLE IV ACID RAIN PERMITS FOR HANGING ROCK ENERGY FACILITY (FACILITY ID 0744000150)

On 12/10/03 the Director of the Ohio Environmental Protection Agency issued a draft action of Title IV Acid Rain Permits for affected sources at:

HANGING ROCK ENERGY FACILITY located at Hanging Rock, Ohio

Comments concerning this draft action, or a request for public hearing must be sent in writing to the following address no later than thirty (30) days from the date this notice is published:

Dana Thompson, Ohio EPA, 122 South Front Street, Columbus, Ohio 43216-1049

All inquiries concerning this draft action may be directed to Dana Thompson (614)644-2270

OhioEPA TITLE IV ACID RAIN PERMIT - DRAFT PERMIT

Effective Date:

Facility ID: 0744000150 P001

Expiration Date:

SIC Code: 4931 ORIS Code: 55736

This document constitutes issuance for:

HANGING ROCK ENERGY FACILITY, Hanging Rock, Ohio

of a Title IV Acid Rain Permit for:

Unit CTG1

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 represents 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		2003	2004	2005	2006	2007
UNIT CTG1	SO ₂ Allowances under Table 2 of 40 CFR Section 73.10	NA	NA	NA	NA	NA

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

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. This source is also required to meet 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.

Unit not in the NADB, commenced operation after the U.S. EPA's final Table of units were established, therefore this unit has no established allowances at this time.

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.

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

Director



TITLE IV ACID RAIN PERMIT - DRAFT PERMIT

Effective Date:

Facility ID: 0744000150 P002

Expiration Date:

SIC Code: 4931 ORIS Code: 55736

This document constitutes issuance for:

HANGING ROCK ENERGY FACILITY, Hanging Rock, Ohio

of a Title IV Acid Rain Permit for:

Unit CTG2

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 represents 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		2003	2004	2005	2006	2007
UNIT CTG1	SO ₂ Allowances under Table 2 of 40 CFR Section 73.10	NA	NA	NA	NA	NA

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

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. This source is also required to meet 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.

Unit not in the NADB, commenced operation after the U.S. EPA's final Table of units were established, therefore this unit has no established allowances at this time.

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.

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

Director



TITLE IV ACID RAIN PERMIT - DRAFT PERMIT

Effective Date:

Facility ID: 0744000150 P003

Expiration Date:

SIC Code: 4931 ORIS Code: 55736

This document constitutes issuance for:

HANGING ROCK ENERGY FACILITY, Hanging Rock, Ohio

of a Title IV Acid Rain Permit for:

Unit CTG3

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 represents 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		2003	2004	2005	2006	2007
UNIT CTG1	SO ₂ Allowances under Table 2 of 40 CFR Section 73.10	NA	NA	NA	NA	NA

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

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. This source is also required to meet 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.

Unit not in the NADB, commenced operation after the U.S. EPA's final Table of units were established, therefore this unit has no established allowances at this time.

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.

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

Director

OhioEPA TITLE IV ACID RAIN PERMIT - DRAFT PERMIT

Effective Date:

Facility ID: 0744000150 P004

Expiration Date:

SIC Code: 4931 ORIS Code: 55736

This document constitutes issuance for:

HANGING ROCK ENERGY FACILITY, Hanging Rock, Ohio

of a Title IV Acid Rain Permit for:

Unit CTG4

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 represents 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		2003	2004	2005	2006	2007
UNIT CTG1	SO ₂ Allowances under Table 2 of 40 CFR Section 73.10	NA	NA	NA	NA	NA

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

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. This source is also required to meet 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.

Unit not in the NADB, commenced operation after the U.S. EPA's final Table of units were established, therefore this unit has no established allowances at this time.

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.

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

Director

DEC 17 2001

ENSR International

27755 Diehl Road
Warrenville, IL 60555-3998
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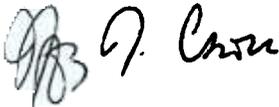
December 12, 2001

Mr. Dana Thompson
Ohio Environmental Protection Agency
Division of Air Pollution Control
122 South Front Street
Columbus, OH 43215**Subject: Acid Rain Program – Phase II Permit Application and Certificate of Representation**

Dear Mr. Thompson:

Enclosed please find one copy each of EPA Form 7610-1 (Certificate of Representation for Acid Rain Program) and EPA Form 7610-16 (Phase II Permit Application) for Hanging Rock Energy Facility in Hanging Rock, Ohio. ENSR has prepared these forms on behalf of Duke Energy Hanging Rock, LLC.

Sincerely,

Jeffrey J. Chou
Air Quality Engineer

cc: Cecilia Mijares (U.S. EPA Region V)

Plant Name (from Step 1) Hanging Rock Energy Facility

Permit Requirements

- STEP 3**
Read the standard 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.

Plant Name (from Step 1) Hanging Rock Energy Facility

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.

Plant Name (from Step 1) Hanging Rock Energy Facility

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:

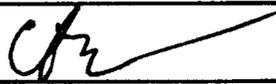
- (1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the 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.

Certification

STEP 4

Read the certification statement, sign, and date

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	Steven F. Gilliland	
Signature		Date 12/19/01