State of Ohio Environmental Protection Agency

STREET ADDRESS:
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50 W. Town St., Suite 700
Columbus, Ohio 43215

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

1/21/2010

Pamela Blakley *Via E-Mail Notification*
United States Environmental Protection Agency
Mail Code: AR-18J
77 West Jackson Blvd.
Chicago, IL 60604-3507

RE: PROPOSED AIR POLLUTION TITLE IV ACID RAIN PERMIT
Facility Name: Duke Energy Ohio - Hanging Rock Energy Facility
Facility ID: 0744000150
Permit Type: Renewal
Permit Number: P0104714

Dear Ms. Blakley:

A proposed OAC Chapter 3745-103 Title IV permit for the referenced facility has been issued for review by U.S. EPA. This permit has been posted to the Division of Air Pollution Control (DAPC) Web page http://www.epa.ohio.gov/dapc in Microsoft Word and Adobe Acrobat format. If U.S. EPA does not object to this proposed permit, the permit will be processed for issuance as a final action not less than 45 days from the date of this letter. Please contact me at (614) 644-3631 by the end of the 45 day review period if you wish to object to the proposed permit.

Sincerely,

Michael W. Ahern

Michael W. Ahern, Manager
Permit Issuance and Data Management Section, DAPC

Cc: Portsmouth City Health Dept., Air Pollution Unit

State of Ohio Environmental Protection Agency
Division of Air Pollution Control

PROPOSED

Title IV Acid Rain Permit
OAC Chapter 3745-103

Duke Energy Ohio - Hanging Rock Energy Facility

Facility ID: 0744000150
Permit Number: P0104714
Permit Type: Renewal
Issued: 1/21/2010
Effective: To be entered upon final issuance
Expiration: To be entered upon final issuance

State of Ohio Environmental Protection Agency
Division of Air Pollution Control

Title IV Acid Rain Permit
OAC Chapter 3745-103
Duke Energy Ohio - Hanging Rock Energy Facility

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Authorization

Facility ID: 0744000150
Facility Description: 1270 MW Combined Cycle Power Plant
Application Number(s): A0036951
Permit Number: P0104714
Permit Description: Renewal of Title IV Acid Rain Permit
Permit Type: Renewal
Issue Date: 1/21/2010
Effective Date: To be entered upon final issuance
Expiration Date: To be entered upon final issuance

This document constitutes issuance of an OAC Chapter 3745-103 Title V permit to:

Duke Energy Ohio - Hanging Rock Energy Facility
1395 County Rd 1A
Ironton, OH 45638

The above named entity is hereby granted a Title IV acid rain permit pursuant to Chapter 3745-103 of the Ohio Administrative Code. This permit shall expire at midnight on the expiration date shown above. You will be sent a notice approximately 6 months prior to the expiration date regarding the renewal of this permit. It is the permittee's responsibility to renew this permit even if no notice of its expiration is received. If a renewal permit is not issued prior to the expiration date, the permittee may continue to follow the terms and conditions of this permit beyond the expiration date, if a timely renewal application is submitted. A renewal application will be considered timely if it is submitted by the expiration date.

This permit is granted subject to the conditions attached hereto.

Ohio Environmental Protection Agency

Chris Korleski
Director

A. Standard Terms and Conditions

1. Statement of Basis

a) 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 (OAC) Chapters 3745-103 and 3745-77.

2. Permit Application

a) Attached as part of this permit is the permittee's Title IV Acid Rain Permit Application (See Appendix A). 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).

B. Emissions Unit Terms and Conditions

1. P001

ORIS Code: 55736

Acid Rain Program Description:

Unit CTG1

a) Sulfur Dioxide (SO2) Allowance Allocations

The owners and operators of each source and each affected unit at the sources shall:

(1) Hold allowances, as of the allowance transfer deadline, in the source's compliance account (after deductions under 40 CFR 73.34(c)), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the affected units at the source; and

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

b) Nitrogen Oxides (NOx) Requirements

(1) 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 OAC rules 3745-14-01 through 3745-14-12.

c) Comments, Notes, and Justifications

(1) None.

2. P002

ORIS Code: 55736

Acid Rain Program Description:

Unit CTG2

a) Sulfur Dioxide (SO2) Allowance Allocations

The owners and operators of each source and each affected unit at the sources shall:

(1) Hold allowances, as of the allowance transfer deadline, in the source's compliance account (after deductions under 40 CFR 73.34(c)), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the affected units at the source; and

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

b) Nitrogen Oxides (NOx) Requirements

(1) 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 OAC rules 3745-14-01 through 3745-14-12.

c) Comments, Notes, and Justifications

(1) None.

3. P003

ORIS Code: 55736

Acid Rain Program Description:

Unit CTG3

a) Sulfur Dioxide (SO2) Allowance Allocations

The owners and operators of each source and each affected unit at the sources shall:

(1) Hold allowances, as of the allowance transfer deadline, in the source's compliance account (after deductions under 40 CFR 73.34(c)), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the affected units at the source; and

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

b) Nitrogen Oxides (NOx) Requirements

(1) 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 OAC rules 3745-14-01 through 3745-14-12.

c) Comments, Notes, and Justifications

(1) None.

4. P004

ORIS Code: 55736

Acid Rain Program Description:

Unit CTG4

a) Sulfur Dioxide (SO2) Allowance Allocations

The owners and operators of each source and each affected unit at the sources shall:

(1) Hold allowances, as of the allowance transfer deadline, in the source's compliance account (after deductions under 40 CFR 73.34(c)), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the affected units at the source; and

(2) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.

b) Nitrogen Oxides (NOx) Requirements

(1) 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 OAC rules 3745-14-01 through 3745-14-12.

c) Comments, Notes, and Justifications

(1) None.

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258

Acid Rain Permit Application

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is: ☒ New ☐ Revised

STEP 1

Identify the source by plant name, State, and ORIS code.

Plant Name Hanging Rock Energy Facility State OH ORIS Code 55736

STEP 2

Enter the unit ID# for every affected unit at the affected source in column "a." For new units, enter the requested information in columns "c" and "d."

a	b	c	d
Unit ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	New Units Commence Operation Date	New Units Monitor Certification Deadline
CTG1	Yes	06/01/03	09/01/03
CTG2	Yes	06/01/03	09/01/03
CTG3	Yes	06/01/03	09/01/03
CTG4	Yes	06/01/03	09/01/03
STG1	Yes	06/01/03	09/01/03
STG2	Yes	06/01/03	09/01/03

Plant Name (from Step 1) Hanging Rock Energy Facility

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.

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

Liability, Cont'd.

Step 3, 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