State of Ohio Environmental Protection Agency

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

5/25/2010

Certified Mail
Facility ID: 0857043334
Permit Number: P0106372
County: Montgomery

Drew Parker
DPL Energy LLC
1065 Woodman Drive
Dayton, OH 45432-1423

RE: PRELIMINARY PROPOSED AIR POLLUTION CONTROL TITLE IV ACID RAIN PERMIT
Permit Type: Renewal

Dear Permit Holder:

Enclosed is the Ohio EPA Preliminary Proposed Title IV permit that was issued in draft form on 5/7/2003. The comment period for the Draft permit has ended. We are now ready to submit this permit to U.S. EPA for approval.

We are submitting this for your review and comment. If you do not agree with the Preliminary Proposed Title IV permit as written, you now have the opportunity to raise your concerns. 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. Comments will be accepted as a marked-up copy of the permit or in narrative format. Any comments must be sent to the following within 14 days of your receipt of this letter:

Dana Thompson
State Implementation Plan Section
Ohio EPA, DAPC
P.O. Box 1049
Columbus, Ohio 43216-1049

If you believe that it is necessary to have an informal conference with us, then, as part of your written comments, you should request a conference concerning the written comments.

If comments are not submitted within 14 days of your receipt of this letter, we will forward the proposed permit to U.S. EPA for approval. All comments received will be carefully considered before proceeding with the proposed permit.

Sincerely,

Michael W. Ahern

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

Cc: Regional Air Pollution Control Agency

Response to Comments

Response to comments for: Title IV Acid Rain Permit

Facility ID:	0857043334
Facility Name:	DPL Energy LLC
Facility Description:	Electric Services
Facility Address:	2101 Arbor Boulevard Dayton, OH 45439-1511 Montgomery County
Permit #:	P0106372, Initial
A public notice for the draft permit issuance was published in the Ohio EPA Weekly Review and appeared in the Dayton Daily News on 05/09/2003. The comment period ended on 06/08/2003.	
Hearing date (if held)	
Hearing Public Notice Date (if different from draft public notice)	

The following comments were received during the comment period specified. Ohio EPA reviewed and considered all comments received during the public comment period. By law, Ohio EPA has authority to consider specific issues related to protection of the environment and public health. Often, public concerns fall outside the scope of that authority. For example, concerns about zoning issues are addressed at the local level. Ohio EPA may respond to those concerns in this document by identifying another government agency with more direct authority over the issue.

Comments were submitted and a response was sent February 11, 2004. The response is listed below and attached to this document. PDF copies of the original comments in the format submitted are available upon request.

1. Michael E. Born, Shumaker, Loop & Kendrick, LLP
2. Amy H. Wright, Dayton Power and Light Company

OhioEPA
State of Ohio Environmental Protection Agency

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February 11, 2004

Michael E. Born
Shumaker, Loop & Kendrick, LLP
41 South High Street
Suite 2210
Columbus, Ohio 43215

Dear Mr. Born:

Thank you for your letter of June 6, 2003 commenting upon the draft Title IV Chapter 3745-103 acid rain permits issued in May by the Ohio EPA for numerous electric generating stations in Ohio. Your comments were delivered on behalf of the Environmental Committee of the Ohio Electric Utility Institute, and are supplemental to comments that member companies of the Institute may have submitted separately. We have reviewed and prepared responses to your specific comments, as listed below. A quotation or paraphrase of each comment appears in bold-face text, with our response immediately following.

GT&C #2: Most of the "SO2 Allowance Allocations" listed in the draft permits for coal fired units are inaccurate, inasmuch as they fail to include additional allowances that Clean Air Markets Division (CAMD) redistributed following the publication of the allocations currently in the Code of Federal Regulations.

The permit language is correct as written, inasmuch as it accurately states the number of allowances listed in the latest version of Table 2 in CFR Section 73.10, but you are also correct in pointing out that those numbers do not include the November 2, 2000 redistribution of unclaimed Repowering Allowances. We could have inserted another parallel line labelled "repowering line allowances" under the Table 2 allowances (as, for instance, West Virginia has done) but the permit still would not necessarily reflect the true number of allowances held in an affected unit's account, due to other types of allowance transactions that occur on a day-to-day basis. The advice we have been given by CAMD is that it is not appropriate to try to put instantaneous snapshots of account balances into permits. Instead, the following canned paragraph in our, and other states' Acid Rain permits makes it clear that actual allowances are subject to adjustment and may not match the numbers in the permit:

> 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 SO_2 allowance allocations identified in this permit (See 40 CFR 72.84).

This language assures that you will have the use of all the allowances you are entitled to.

GT&C #3: ". . In its description of the permitees' obligations under the NOx averaging plans, Ohio EPA misstates the units' actual legal requirements. This is the result of trying to summarize a detailed plan in a paragraph or less. For instance, several permits suggest that a specific unit is never allowed to emit above the averaging limit. This is incorrect, as a careful review of the averaging plan itself would reveal. Ohio EPA should state in the permit that the unit is subject to an averaging plan, reference the averaging plan, and then NOT try to summarize the obligations under the plan. The NOx averaging plans under this program are simply too complex and involved to be adequately summarized by Ohio EPA. If Ohio EPA insists on some greater description, the Utilities recommend that the Agency review Step 4 "Special Provisions" Emission Limitations of the instructions for a "Phase II NOx Averaging Plan" (OMB No. 2060-0258) as a guide, and use that phrasing for this section of the permit."

Our draft language comes nearly verbatim from the "Acid Rain Permit Writer's Guide" issued by the U.S. EPA in order to supply model permit language that States may insert into their own Acid Rain permits. We changed "*[insert name of permitting authority]*" to "Ohio EPA" and we changed citations of federal rules to their equivalents in the Ohio Administrative Code wherever possible. For permits that specify an averaging plan for part of their duration and a standard plan for the remainder, we amalgamated the applicable model paragraphs. Any other changes we made are very minor and do not alter the meaning of the model text. For instance, the "Writer's Guide" (p. 10-4-2) supplies the following text for one averaging plan that runs for several years:

> *Pursuant to 40 CFR 76.11, the **[insert name of permitting authority]** approves a NOx emissions averaging plan for this unit, effective from calendar years **[insert beginning calendar year of plan]** through **[insert ending calendar year of plan.]** Under the plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation of **[insert ACEL indicated for unit in column "b" of averaging plan]*** lb/mmbtu. In addition, this unit shall not have an annual heat input ***[insert phrase "less than" if ACEL is less than the standard limit indicated in column "a"; or "greater than" if ACEL is greater than the standard limit indicated in column "a"] [insert annual heat input indicated for unit in column "c"]*** mmbtu.

For the Walter C. Beckjord (B001) draft permit, we translated this as follows:

> Pursuant to 3745-103-63 of the Administrative Code, the Ohio EPA approves a NOx averaging plan for this unit, effective from calendar years 2003 through 2007. Under the plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation of **1.10** lb/mmbtu. In addition, this unit shall not have an annual heat input greater than **8,310,000** mmBtu.

Likewise, the next paragraph in the Beckjord permit, beginning "Under the plan . . ." is based on paragraphs (2) and (3) on page 10-4-3 of the Writer's Guide, and the paragraph after that,

beginning "In addition. . ." is based on paragraph (5) on the same page. We have attached pertinent pages of the Writer's Guide for your information.

We believe the Writer's Guide and the draft permits correctly state the requirement for each specific unit to comply with an averaging limit on NOx emission and annual heat input, in the circumstance where a group showing of compliance cannot be made according to paragraph (D)(1)(b)(i) of OAC 3745-103-63. The specific-unit requirements must be stated, in order that specific non-compliant units can be identified when a failure of the group showing of compliance occurs.

GT&C #3: ". . . Ohio EPA has included a sentence at the end of Condition #3 that references the independent obligations under OAC Chapter 3745-14, Ohio's NOx SIP Call Program. Since this program is required to develop, issue, and administer its own permits, and those permits are required to be a completely segregable portion of the Title V permit for NOx Budget Units, the reference is illegal, unnecessary and inappropriate. This sentence should be deleted from the Acid Rain Permit."

The sentence adds no requirements that do not already exist under Chapter 3745-14. To eliminate any possible ambiguity on this point, we propose to replace this sentence with the following:

> *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.*

GT&C #3: Condition #3 should be deleted in its entirety for combustion turbines, inasmuch as they are not subject to the NOx requirements of Phase II.

Although the heading is "Nitrogen Oxides (NOx) Requirements" the paragraph does not actually specify any Acid Rain requirement pertaining to NOx. In fact it says no more than the following Standard Requirement in the Acid Rain permit application for all affected units, whether coal, oil, or gas fired:

> 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.

We prefer to leave the heading in place, if only to mark the place where the *". . . duty to comply with any applicable requirements of 3745-14-01 through 3745-14-11 . . ."* language belongs.

GT&C #5: "General Term and Condition 5 states that "The application contains additional conditions, terms and limitations that must be met and that are a part of this permit." Ohio EPA cannot and should not simply make the entire application legally enforceable. Further, U.S. EPA could revise the Acid Rain rules, 40 CFR Part 72 through 78, changing the permit terms from those reflected in the application. This could require compliance with superceded federal regulations. Instead, the permit should require

compliance with the federal rules by reference, avoiding any conflict with future rule changes."

The Ohio EPA does in fact consider the entire application to be part of the permit, and enforceable. Enforceability of the application is addressed in OAC 3745-103-08, "Permit application shield and binding effect of permit application" and elsewhere in the same chapter, and the requirement that the draft or final permit contain all the elements of the application is stated in OAC 3745-103-11(A)(1).

The application does not list specific dates for any of the applicable Parts or Sections of the Code of Federal Regulations. Consequently, any revisions to those Parts or Sections will become binding on the applicant as of their effective date in the Federal Code, and there will be no need to comply with superseded regulations. The permit does require "compliance with the federal rules by reference," as you indicate it should.

Sincerely,

Dana Thompson

cc: Cecilia Mijares, U.S. EPA Region 5
Robert Miller, U.S.EPA Clean Air Markets Division
Robert Hodanbosi, Ohio EPA/DAPC

NO_X Standard Emission Limitations Compliance Plans

Description: Under the simplest of NO_X compliance plans in the Acid Rain Program, a boiler subject to 40 CFR part 76 for which the standard emission limitation compliance option is chosen must meet the standard emissions limit in lb/mmBtu established in 40 CFR 76.5, 76.6, or 76.7 for that specific type of coal fired boiler.

Permit Revision Procedure(s): Addition of a standard emission limitation NO_X compliance plan to a Phase II acid rain permit is executed through permit modification procedures under 40 CFR 72.81 (which references requirements adopted by the State under 40 CFR subpart G and 70.7(e)(4)(ii)). This process is basically identical to requirements for the issuance of a Phase II acid rain permit and includes the provisions of 40 CFR 72.80 (c) and (d), which state that a permit revision may be submitted at any time and that the terms of the acid rain permit apply until the revision is finalized.

Inclusion in Acid Rain Permit: The boilerplate language shown below is added to the NO_X portion of unit pages in the acid rain portion of the title V permit (see also the sample acid rain permit beginning on page 10-2-3). In addition, either the NO_X compliance plan is attached and incorporated as an enforceable part of the acid rain portion of the title V permit or the language in the NO_X compliance plan is reiterated in the acid rain portion of the title V permit.

Boilerplate Language: "Pursuant to 40 CFR part 76, **[name of permitting authority]** approves a NO_X standard emission limitation compliance plan for unit **[insert unit #]**. The compliance plan is effective for calendar year **[first year compliance plan is effective]** through calendar year **[last year acid rain permit is effective]**. Under the compliance plan, this unit's annual average NO_X emission rate for each year, determined in accordance with 40 CFR part 75, shall not exceed the applicable emission limitation, under 40 CFR **[insert appropriate CFR cite and phrase from below]**

76.5(a)(1), of 0.45 lb/mmBtu for tangentially fired boilers.
76.5(a)(2), of 0.50 lb/mmBtu for wall-fired boilers.
76.6(a)(1), of 0.68 lb/mmBtu for cell burner boilers.
76.6(a)(2), of 0.86 lb/mmBtu for cyclone boilers.
76.6(a)(3), of 0.84 lb/mmBtu for wet bottom boilers.
76.6(a)(4), of 0.80 lb/mmBtu for vertically fired boilers.
76.7(a)(1), of 0.40 lb/mmBtu for tangentially fired boilers.
76.7(a)(2), of 0.46 lb/mmBtu for wall-fired boilers.

In addition, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_X compliance plan and requirements covering excess emissions."

Example:[1] "Pursuant to 40 CFR part 76, the State of Mind DEP approves a NO_X standard emissions limitation compliance plan for unit 3. The NO_X compliance plan is effective beginning 2000 through 2004. Under the NO_X compliance plan, this unit's annual average NO_X emissions rate for each year, determined in accordance with 40 CFR part 75, shall not exceed the applicable emission limitation, under 40 CFR 76.6(a)(3), of 0.84 lb/mmBtu for wet bottom boilers.

In addition to the described NO_X compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_X compliance plan and requirements covering excess emissions."

Misc. Notes: An initial NO_X compliance plan in which a standard emission limitation is chosen is effective beginning for calendar year 2000 and continues through the last calendar year that the acid rain permit is effective. Every subsequent standard emission limitation NO_X compliance plan submitted at the time of acid rain permit renewal will be effective for the same years that the acid rain permit is effective, including any partial years.

A State that has not incorporated by reference 40 CFR part 76 and has written a State-version of the Acid Rain Program NO_X regulation must replace the cites to the federal rule with cites to its own rule, where applicable.

The boilerplate references to 40 CFR 76.5(a)(1) and (2) are for Phase I Group 1 boilers; the references to 40 CFR 76.7(a)(1) and (2) are for Phase II Group 1 boilers.

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[1] See also sample permit with NO_X language added starting on page 10-2-3.

RECEIVED
MAY 1 3 1998
REGULATION DEVELOPMENT BRANCH
U.S. EPA, REGION X

NOx Emissions Averaging Compliance Plans

Description:

NOx emissions averaging is a NO_X compliance option under 40 CFR 76.11 which allows any affected units subject to a NOx emissions limit under 40 CFR 76.5, 76.6, or 76.7, under the control of the same owner and operator, and with the same designated representative, to average their NOx emissions under an approved averaging plan.

The designated representative can submit: (1) one averaging plan that runs for several years, (2) one averaging plan that designates the same plan for single, specific years (so the DR could terminate an averaging plan for a specific year, if so desired) or (3) non-identical plans for single, specific years. Each choice requires a specific type of boilerplate language in the NOx portion of the acid rain permit.

Permit Revision Procedure(s):

Addition of a NOx emissions averaging compliance plan to a Phase II acid rain permit, or changes in a plan already in a permit, are executed through permit modification procedures under 40 CFR 72.81 (which references requirements adopted by the State under 40 CFR subpart G and 70.7(e)(4)(ii)). This process is basically identical to requirements for the issuance of a Phase II acid rain permit and includes the provisions of 40 CFR 72.80 (c) and (d), which state that a permit revision may be submitted at any time and that the terms of the acid rain permit apply until the revision is finalized.

Inclusion into Acid Rain Permit:

The boilerplate language below is added to the NOx portion of unit pages in the acid rain portion of the title V permit (see also the sample acid rain permits on following pages). In addition, either (1) the Phase II NOx compliance plan and averaging plan(s) are attached to the acid rain portion of the title V permit, and made a binding and enforceable part of the permit, or (2) the language in the Phase II NOx compliance plan and averaging plan(s) (including the list of units in the averaging plan) is reiterated in the acid rain portion of the title V permit.

Boilerplate Language:

(1) There are three general types of boilerplate language for a NOx averaging plan. Only <u>one</u> of the following paragraphs A, B, or C must be utilized, depending on the length of time the plan(s) run and whether or not the plan(s) are identical:

(A) For one averaging plan that runs for several years:

*"Pursuant to 40 CFR 76.11, the **[insert name of permitting authority]** approves a NOx emissions averaging plan for this unit, effective from calendar years **[insert beginning calendar year of plan]** through **[insert ending calendar year of plan]**. Under the plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation of **[insert ACEL indicated for unit in column "b" of averaging plan]** lb/mmbtu. In addition, this unit shall not have an annual heat input **[insert phrase "less than" if ACEL is <u>less</u> than the standard limit indicated in column "a"; or "greater than" if ACEL is <u>greater</u> than the standard limit indicated in column "a"] [insert annual heat input indicated for unit in column "c"]** mmBtu."*

(B) For multiple identical averaging plans, each for a single year:

*"Pursuant to 40 CFR 76.11, the **[insert name of permitting authority]** approves **[insert # of plans]** NOx emissions averaging plans for this unit. Each plan is effective for one calendar year for the years **[insert year each plan will be in effect]**. Under each plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation of **[insert ACEL indicated for unit in column "b" of averaging plan]** lb/mmBtu. In addition, this unit shall not have an annual heat input **[insert phrase "less than" if ACEL is <u>less</u> than the standard limit indicated in column "a"; or "greater than" if ACEL is <u>greater</u> than the standard limit indicated in column "a"] [insert annual heat input indicated for unit in column "c"]** mmBtu."*

Important note: If the standard limit in column "a" and the ACEL in column "b" of the averaging plan are **<u>identical</u>**, then the last sentence in paragraphs (A) and (B) above should **<u>not</u>** be included in the unit page permit language for the unit in question, or, for paragraph (C) below, an "NA" should be entered in the "Minimum or Maximum" column.

(C) For multiple non-identical averaging plans, each for a single year:

*"Pursuant to 40 CFR 76.11, the **[insert name of permitting authority]** approves **[insert # of plans]** NOx emissions averaging plans for this unit. Each plan is effective for one calendar year for the years **[insert year each plan will be in effect]**. Under each plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation, and this unit shall meet the annual heat input limit listed below, for the applicable year."*

Year	ACEL (lb/mmBtu)	Heat Input Limit (mmBtu)	Minimum or Maximum

(2) For <u>every</u> averaging plan, insert after the language of paragraphs A, B, or C above, the following paragraph:

"Under the plan, the actual Btu-weighted annual average NOx emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NOx emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit."

(3) For any averaging plan in which more than one permitting authority has jurisdiction over the units in a plan (for instance, a multi-state averaging plan), insert after the language of paragraph (2) above, the following sentence:

"In accordance with 40 CFR 72.40(b)(2), approval of the averaging plan shall be final only when ***[insert name(s) of other permitting authority(s)]*** *has also approved this averaging plan."*

(4) A unit can simultaneously be in an averaging plan <u>and</u> an early election plan. For such units, insert after the language of paragraph (2) (or paragraph (3), if applicable), the following paragraph:

"Notwithstanding the averaging plan described above, if this unit exceeds its applicable NOx emission limitation under 40 CFR 76.8 (early election) of ***[insert "0.45 lb/mmBtu" for tangentially fired boilers or "0.50 lb/mmBtu" for dry bottom wall-fired boilers, whichever applies]****, the early election plan for this unit shall be terminated in accordance with 40 CFR 76.8(e)(3) and the unit shall meet, beginning on the effective date of the termination, the applicable NOx emission limitation under 40 CFR 76.7. Such termination shall not terminate the averaging plan described above."*

(5) For <u>every</u> averaging plan, insert after the language of paragraph (2) (or paragraphs (3) or (4), if applicable), the following language:

"In addition to the described NO_X compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_X compliance plan and requirements covering excess emissions."

Examples:[1]

Example (1): The following example is for Blue Mountain unit 4, a Phase II Group 1 tangentially fired boiler in an averaging plan whose standard limit under 40 CFR 76.7 is 0.40 lb/mmBtu. The

[1] See also sample permits with NOx language added on following pages.

averaging plan for this unit is for **multiple years for one plan**; therefore, the boilerplate from paragraph (1)(A) above is utilized, as well as standard language from paragraphs (2) and (5). Boilerplate from paragraphs (3) and (4) from above are not necessary, since all of the units in the averaging plan are under the jurisdiction of one permitting authority and unit 4 is not in an early election plan.:

"Pursuant to 40 CFR 76.11, the State of Mind DEP approves a NOx emissions averaging plan for this unit, effective from calendar years 2000 through 2004. Under the plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation of ***0.42 lb/mmBtu****. In addition, this unit shall not have an annual heat input greater than* ***13,051,057 mmBtu****.*

Under the plan, the actual Btu-weighted annual average NOx emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NOx emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.

In addition to the described NO_X compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_X compliance plan and requirements covering excess emissions."

Note that in this example the ACEL for Blue Mountain unit 4 of 0.42 lb/mmBtu is greater than the standard limit for that boiler of 0.40 lb/mmBtu. Therefore the heat input limit of 13,051,057 is a maximum, and the phrase "greater than" is used in the last sentence of the first paragraph of this example.

Example (2): This example is for Sheepshed unit 1, a Group 2 cyclone boiler in an averaging plan whose standard limit under 40 CFR 76.6 is 0.86 lb/mmBtu. This unit is in **multiple identical** averaging plans, each for a single year; therefore, the boilerplate language from paragraph (1)(B) above is utilized, as well as standard language from paragraphs (2) and (5). Since the units in the averaging plan are under the jurisdiction of two permitting authorities, boilerplate from paragraph (3) above is necessary. Sheepshed unit 1 is not in an early election plan; therefore, boilerplate from paragraph (4) above is not necessary.

"Pursuant to 40 CFR 76.11, the State of Mind DEP approves five NOx emissions averaging plans for this unit. Each plan is effective for one calendar year for the years 2000, 2001, 2002, 2003, and 2004. Under each plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation of ***0.79 lb/mmBtu****. In addition, this unit shall not have an annual heat input less than* ***9,436,112 mmBtu****.*

Under the plan, the actual Btu-weighted annual average NOx emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NOx emission rate for the same units had they each been operated, during the same period of time, in compliance with the applicable emission limitations under 40 CFR 76.5, 76.6, or 76.7, except that for any early election units, the applicable emission limitations shall be under 40 CFR 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then this unit shall be deemed to be in compliance for that year with its alternative contemporaneous annual emission limitation and annual heat input limit.

Notwithstanding the averaging plan described above, if this unit exceeds its applicable NOx emission limitation under 40 CFR 76.8 (early election) of 0.50 lb/mmBtu for dry bottom wall-fired boilers, the early election plan for this unit shall be terminated in accordance with 40 CFR 76.8(e)(3) and the unit shall meet, beginning on the effective date of the termination, the applicable NOx emission limitation under 40 CFR 76.7. Such termination shall not terminate the averaging plan described above.

In addition to the described NO_X compliance plan, this unit shall comply with all other applicable requirements of 40 CFR part 76, including the duty to reapply for a NO_X compliance plan and requirements covering excess emissions."

Note that in this example, the ACELs for unit 7, as well as the heat inputs, vary from year to year. For the years in which the ACELs for unit 7 are greater than the standard limit for unit 7 of 0.46 lb/mmBtu (2000, 2002, and 2004), the heat input limits are considered maximums and are identified as such in the last column in the boilerplate table. For the years in which the ACELs for unit 7 are less than the standard limit for unit 7 of 0.46 lb/mmBtu (2001 and 2003), the heat input limits are considered minimums and are also identified as such in the boilerplate table.

Ohio EPA
State of Ohio Environmental Protection Agency

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February 11, 2004

Amy H. Wright
Director – Environmental Management
The Dayton Power and Light Company
1065 Woodman Drive
Dayton, Ohio 45432

Dear Ms. Wright:

Thank you for your letter of June 6, 2003 commenting upon the draft Title IV Chapter 3745-103 acid rain permits issued in May for the Hutchings, Stuart, Killen, Greenville, Tait and Darby generating stations. Your comments are supplementary to those filed by the Environmental Committee of the Ohio Electric Utility Institute (OEUI) on behalf of AEP and other member companies. As well as affirming your support for the OEUI submittal, and adding additional elaboration to some of the Committee's comments, you have made the following request relating to recordkeeping:

> **GT&C #5: ". . . DPL requests that language for "Recordkeeping and Reporting Requirements" be included in the permit that allows DPL to maintain off-site and make readily available the records required by 40 CFR Part 72.09(f). DPL operates a number of unmanned sites and would prefer to maintain the records at a manned facility."**

Part 72.9(f)(1) states

> "Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source . . . for a period of 5 years . . ."

This language mirrors OAC 3745-103-05(F)(1). The phrase "unless otherwise provided" appears to refer to two specific occurrences of the word "provided" in 72.09(f)(1)(i) and 72.09(f)(ii), both of them pertaining to the duration, not the location of recordkeeping. Consequently, we do not have the freedom to relax the on site requirement.

We have addressed the Environmental Committee's comments in a separate document, which is attached. You also noted that corrections that should be made to the addresses and SIC codes listed on the permits for the Tait Electric and Darby Electric Generating Stations. We will take

care of those changes. If you have further questions, please feel free to contact me at 614-644-2270 or dana.thompson@epa.state.oh.us.

Sincerely,

Dana Thompson

cc: Cecilia Mijares, U.S. EPA Region 5
Robert Miller, U.S.EPA Clean Air Markets Division
Robert Hodanbosi, DAPC

DP&L

Working For You Today And Tomorrow

Rec'd by DAPC, OEPA

2003 JUN -9 AM 10: 48

AMY H. WRIGHT
Director – Environmental Management
1065 Woodman Drive
Dayton, Ohio 45432
(937) 259-7240 phone
(937) 259-7178 fax
Amy.Wright@DPLINC.com

June 6, 2003

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

RE: **Comments of The Dayton Power and Light Company and DPL Energy, LLC on the Draft Title IV Chapter 3745-103 Permits for O.H. Hutchings Station, J.M. Stuart Station, Killen Station, Greenville Electric Station, F.M. Tait Station (Unit 3), Tait Electric Generating Station (Units 4-7), and Darby Electric Generating Station**

Dear Mr. Thompson:

In a letter dated May 7, 2003, Ohio EPA published draft Title IV Permits for the following facilities: O.H. Hutchings Station, J.M. Stuart Station, Killen Station, Greenville Electric Station, F.M. Tait Station (Unit 3), Tait Electric Generating Station (Units 4-7), and Darby Electric Generating Station. The Dayton Power and Light Company and its affiliate DPL Energy, LLC (hereafter collectively referred to as "DPL") hereby incorporate the comments of the Environmental Committee of the Ohio Electric Utilities Institute and have the following additional comments.

General Term and Condition #2 – Sulfur Dioxide (SO2) Allowance Allocations

DPL is concerned that the "SO2 Allowance Allocations" listed in the draft permits for J.M. Stuart Station and Killen Station are not accurate. The current correct values are listed in the table below. It appears that the discrepancy is due to Ohio EPA's failure to include the allowances that were redistributed by USEPA's Clean Air Markets Division on November 2, 2000. USEPA's adjustment was a redistribution of

unclaimed Acid Rain Repowering Allowances. Permittees are entitled to the adjustments due to the redistribution. Periodic adjustments of this type are a problem for a 5-year permit that fails to reflect such redistributions. DPL recommends that specific allowance allocations not be listed in this 5-year permit. Instead, Ohio EPA should reference CAMD or the ATS Transactions Report as the source of accurate and current SO2 Allowance Allocations.

Alternatively, Ohio EPA may wish to identify and footnote the that the permit reflects SO2 Allowance Allocations as they exist on the date of the draft final permit and inform the permittee/public how they can ascertain the most accurate and actual allocations during the five years of the life of the permit.

Source	Draft Permit Allocation, SO2 Tons, 2003-2007	Correct Allocation, SO2 Tons, 2003-2007
J.M. Stuart Station, 1	19626	19632
J.M. Stuart Station, 2	18605	18611
J.M. Stuart Station, 3	18448	18454
J.M. Stuart Station, 4	19497	19503
Killen, Unit #2	16923	16928

General Term and Condition #3 – Nitrogen Oxides (NOx) Requirements

DPL is concerned that some confusing and incorrect language is incorporated into this condition in each draft permit. For example, O.H. Hutchings, Unit #H-1 test reads as follows: "Under each plan, this unit's NOx emissions shall not exceed the annual average alternative contemporaneous emission limitation of 0.65 lb/mmBtu. In addition, this unit shall not have an annual heat input greater than 990,000 mmBtu." This is not correct. This unit has an approved Phase II NOx Averaging Plan and is allowed to emit NOx above 0.65 lb/mmBtu and it may have an annual heat input in excess of 990,000 mmBtu in the event of a successful group showing of compliance. The paragraphs that follow in the draft permit improperly summarizes and paraphrases legal requirements and should more clearly state the actual conditions that apply to units subject to Phase II NOx Averaging Plans.

DPL recommends that this term and condition be rewritten to incorporate the correct, succinct language found in Step 4 "Special Provisions" Emission Limitations of the instructions for a "Phase II NOx Averaging Plan" (OMB No. 2060-0258).

Additionally, Ohio EPA should eliminate the last sentence in General Term and Condition #3 that reads "(t)his source is also required to meet any requirements of 3745-14-01 through 3745-14-11 of the Ohio Administrative Code". These rules are not appropriate for reference in a Title IV Acid Raid Permit and should be removed.

General Term and Condition #5 – Permit Application

DPL notes that this Term and Condition states that "[t]he application contains additional conditions, terms and limitations that must be met and that are a part of this permit." DPL objects to the overly broad and unlawful conversion of all application language into enforceable permit conditions. Ohio EPA should eliminate this Term and Condition and instead incorporate by reference the requirements of 40 CFR Parts 72 through 78. This way, any changes made to the Parts 72 through 78 regulations will be incorporated into the permit. By failing to make this revision, Ohio EPA may issue permits that require compliance with outdated and revised federal regulations.

Additionally, DPL requests that language for "Recordkeeping and Reporting Requirements" be included in the permit that allows DPL to maintain off-site and make readily available the records required by 40 CFR Part 72.09 (f). DPL operates a number of unmanned sites and would prefer to maintain the records at a manned facility.

Changes to Address/Location and SIC Codes

DPL notes the following additional errors to individual draft permits:

For the Tait Electric Generating Station:

1. Location is 2101 Arbor Boulevard, Dayton, OH, 45439 rather than East River and Dryden Roads as is indicated on the permit.

2. SIC code is 4911 (Electric Services) rather than 4931 (Electric and Other Services Combined) as is indicated on the permit.

For the Darby Electric Generating Station:

1. Location is 12509 Adkins Road, Mt. Sterling, OH, 43143 rather than 12509 Adkins Road, Darby, OH, 43143 as is indicated on the draft permit.

2. SIC code is 4911 (Electric Services) rather than 4931 (Electric and Other Services Combined) as is indicated on the draft permit.

Conclusion

Ohio EPA should address these comments and make corrections and revisions prior to issuing the Preliminary Proposed Permit or the Final Permit.

DP&L appreciates the opportunity to provide comments on these draft Title IV Permits. Should you have any questions on these comments, please contact Gary Bramble at (937) 259-7377.

Sincerely,

Amy K Wright

C: Michael Ahern, DAPC
Maria Cruset, RAPCA
Bob Keller, DP&L
Mandy Goubeaux, DPLE
Mike Harrell, DP&L
Jim Stice, DP&L
Athan Vinolus, DPL

State of Ohio Environmental Protection Agency
Division of Air Pollution Control

PRELIMINARY PROPOSED

Title IV Acid Rain Permit
OAC Chapter 3745-103

DPL Energy LLC

Facility ID: 0857043334
Permit Number: P0106372
Permit Type: Renewal
Issued: 5/25/2010
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
DPL Energy LLC

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Authorization

Facility ID: 0857043334
Facility Description: Electric Services
Application Number(s): A0039597
Permit Number: P0106372
Permit Description: Title IV Acid Rain Permit
Permit Type: Renewal
Issue Date: 5/25/2010
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:

DPL Energy LLC
2101 Arbor Boulevard
Dayton, OH 45439-1511

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: 55248

Acid Rain Program Description:

Unit CT4

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: 55248

Acid Rain Program Description:

Unit CT5

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: 55248

Acid Rain Program Description:

Unit CT6

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: 55248

Acid Rain Program Description:

Unit CT7

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.

AMY H. WRIGHT, Manager
Environmental Management
(937) 331-3658 phone
(937) 331-4441 fax
Amy.Wright@DPLINC.com

June 5, 2000

Mr. Charles Branch
Environmental Specialist
Ohio Environmental Protection Agency
Lazarus Government Center
122 South Front Street
Columbus, OH 43215

RE: Permit Applications for Tait EGS

Dear Mr. Branch:

Pursuant to the requirements of 40 CFR 72.30-72.31, attached are four copies of Phase II Acid Rain Permit Applications for the following facility operated by DPL Energy, Inc.

Tait Electric Generating Station	**ORIS CODE 55248**

If you have any questions about this information, please call me at (937) 331-3658 or Randy Burkett at (937) 331-4477.

Sincerely,

Amy H. Wright

Amy H. Wright
Manager, Environmental Management

C: Frank Brayton - DPL Energy
Ed Rizer – Legal

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258

Phase II Permit Application

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

This submission is: [X] New [ ] Revised

STEP 1
Identify the source by plant name, State, and ORIS code from NADB

Tait Electric Generating Station	OH	55248

STEP 2
Enter the boiler ID# from NADB for each affected unit, and indicate whether a repowering plan is being submitted for the unit by entering "yes" or "no" at column c. For new units, enter the requested information in columns d and e

a	b	c	d	e
	Compliance Plan			
Boiler ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	Repowering Plan	New Units Commence Operation Date	New Units Monitor Certification Deadline
CT4	Yes	NO	6/2001	9/2001
CT5	Yes	NO	6/2001	9/2001
CT6	Yes	NO	6/2001	9/2001
CT7	Yes	NO	6/2001	9/2001
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			

STEP 3
Check the box if the response in column c of Step 2 is "Yes" for any unit

[ ] For each unit that will be repowered, the Repowering Extension Plan form is included and the Repowering Technology Petition form has been submitted or will be submitted by June 1, 1997.

Tait Electric Generating Station
Plant Name (from Step 1)

STEP 4
Read the standard requirements and certification, enter the name of the designated representative, and sign and date

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 parts 74, 75, and 76.
(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 parts 74 and 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)) 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)(i) 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 the written exemption under 40 CFR 72.7 and 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.

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;
(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.