



# INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

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**Bharat Mathur**

**October 4, 2004**

Acting Regional Administrator  
U.S. EPA, Region V  
77 West Jackson Boulevard  
Chicago, Illinois 60604

## **Re: Clarification to September 2, 2004 Indiana New Source Review Reform SIP Submittal**

Dear Mr. Mathur:

On September 2, 2004 Indiana submitted a request to amend the State Implementation Plan (SIP) to include the New Source Review (NSR) Reform rulemaking in the permit review rules at 326 IAC 2. In subsequent review and discussion with staff of the United States Environmental Protection Agency (U.S. EPA), an issue has been raised that results in the need for clarification.

The issue pertains to the November 7, 2004 [~~sic; should be November 7, 2003~~] 2003 Federal Register notice that published amendments to 40 CFR Parts 51 and 52, resulting from the reconsideration of the December 31, 2002 Federal NSR Reform final rules. These amendments included a new definition for "replacement" in the requirements for NSR SIPs, nonattainment and attainment, contained in 40 CFR 51.165(a)(1)(xxi) and 40 CFR 51.166(b)(32) respectively. Although this definition was not included in the state rule, Indiana commits to follow the federal definition and address it in a future state rulemaking. In the interim, Indiana commits to follow the federal definition for replacement as follows:

- 51.165(a)(1)(xxi)\*\*\*

xxi. Replacement unit means an emissions unit for which all the criteria listed in paragraphs (a)(1)(xxi)(A) through (D) of this section are met. No creditable emission reductions shall be generated from shutting down the existing emissions unit that is replaced.

- A. The emissions unit is a reconstructed unit within the meaning of Sec. 60.15(b)(1) of this chapter, or the emissions unit completely takes the place of an existing emissions unit.
- B. The emissions unit is identical to or functionally equivalent to the replaced emissions unit.
- C. The replacement does not alter the basic design parameters (as discussed in paragraph (h)(2) of this section) of the process unit.

- D. The replaced emissions unit is permanently removed from the major stationary source, otherwise permanently disabled, or permanently barred from operation by a permit that is enforceable as a practical matter. If the replaced emissions unit is brought back into operation, it shall constitute a new emissions unit.

Please contact the Office of Air Quality should you have any questions or comments.

Sincerely,

*Original signed by Janet McCabe*

Janet G. McCabe  
Assistant Commissioner  
Office of Air Quality

jm/cep/smp

cc: Jay Bortzer  
Pamela Blakley  
Sam Portanova  
SIP file