

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
NONRULE POLICY DOCUMENT

Title:	Phase II Acid Rain Permit 24 Month Application Requirement (326 IAC 21-1-1)
Identification Number:	AIR-023-NPD
Date Originally Adopted:	June 30, 1999
Dates Revised:	None
Other Policies Repealed or Amended:	None
Brief Description of Subject Matter:	Phase II Acid Rain Permit applications for certain units do not have to be filed at least 24 months prior to operation.
Citations Affected:	326 IAC 21-1-1

This nonrule policy document is intended solely as guidance and does not have the effect of law or represent formal Indiana Department of Environmental Management (IDEM) decisions or final actions. This nonrule policy document shall be used in conjunction with applicable laws. It does not replace applicable laws, and if it conflicts with these laws, the laws shall control. A revision to this nonrule policy document may be put into effect by IDEM once the revised nonrule policy document is made available for public inspection and copying and meets all other legal requirements. IDEM will submit revisions to the Indiana Register for publication and meet all other legal requirements.

Background

326 IAC 21-1-1 incorporates by reference the acid rain program provisions located in 40 CFR 72 and 75 through 78, as well as 58 Federal Register 3590. A provision of the incorporated rules, 40 CFR 72.30 (b)(2)(ii), states that for any source with a new unit under section 72.6(a)(3)(i), the designated representative shall submit a complete Phase II Acid Rain Permit application governing such unit to the permitting authority at least twenty-four months before the date on which the unit commences operation. This rule appears to be derived from §408(e) of the Clean Air Act Amendments of 1990. That statute requires that the owner or operator of each source that includes a new “electric utility steam generating” unit submit an acid rain permit application to the permitting authority not later than twenty-four months before the date on which the unit commences operation.

Unlike a utility steam generator, which burns fuel to produce steam which, in turn, powers a turbine/generator, combustion turbines and combined cycle units burn a highly compressed fuel, normally natural gas or fuel oil, to produce an exhaust which powers a turbine/generator. The actual facility is very compact and easily constructed compared to a coal-fired generating plant. Combustion turbines and combined cycle units are generally not designed for “base load” purposes, but for “peak” period generation, when demand is high and the cost to purchase power is highest. Combustion turbine and combined cycle units could receive all necessary permit approvals, including a Phase II Acid Rain Permit approval, and be ready to operate in far less than 24 months. Sources have requested that

IDEM provide guidance concerning this Phase II Acid Rain Permit requirement as it affects new combustion turbine units and combined cycle units.

POLICY

This policy applies only to new combustion turbine units and combined cycle units. It does not affect the Phase II Acid Rain Permit requirements for any other types of new units.

IDEM will not require new units composed of combustion turbines and/or combined cycle units that have received all necessary permit approvals to wait until 24 months have elapsed from the date of filing of the unit's Phase II Acid Rain Permit application before commencing operations. A source should file its Phase II Acid Rain Permit application at the same time as the source files its application to construct the new combustion turbine unit(s) and/or the new combined cycle unit(s). The source may begin operating any new combustion turbine unit(s) and/or combined cycle units once all the required permit approvals are effective, including the Phase II Acid Rain approval. This policy will not shorten or eliminate any opportunities for public comment, but will eliminate an unnecessary waiting period. This policy is consistent with the federal statute in that the statute refers only to steam generating units. U.S. EPA does not disagree with this policy. Any questions about this policy should be directed to the chief of the Policy & Guidance Section, Permits Branch, Office of Air Management, IDEM at 317/232-0286.