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TITLE 326 AIR POLLUTION CONTROL BOARD

Proposed Rule
LSA Document #99-264

DIGEST

Amends 326 IAC 2-2 to incorporate federal prevention of significant deterioration requirements in order to seek federal approval of this rule. Adds 326 IAC 2-2-13, 326 IAC 2-2-14, 326 IAC 2-2-15, and 326 IAC 2-2-16 to add federal permitting requirements. Effective 30 days after filing with the secretary of state.

HISTORY
First Notice of Comment Period: January 1, 2000, Indiana Register (23 IR 926).
Second Notice of Comment Period and Notice of First Hearing: April 1, 2000, Indiana Register (23 IR 1740).
Date of First Hearing: August 2, 2000.

PUBLIC COMMENTS UNDER IC 13-14-9-4.5
Because this proposed rule is not substantively different from the draft rule published on April 1, 2000, at 23 IR 1740, the Indiana Department of Environmental Management (IDEM) is not requesting additional comment on this proposed rule.

SUMMARY/RESPONSE TO COMMENTS FROM THE SECOND COMMENT PERIOD
The Indiana Department of Environmental Management (IDEM) requested public comment from April 1, 2000, through May 1, 2000, on IDEM's draft rule language. IDEM received comments from the following parties:
General Electric Plastics, (GEP)
Eli Lilly and Company, (ELC)
American Electric Power, (AEP)
Following is a summary of the comments received and IDEM's responses thereto:
Comment: Please identify the source for the changes listed under 326 IAC 2-1-1(w)(3) and 326 IAC 2-1-1(w)(4) as the federal language under 40 CFR 51.166 and 40 CFR 52.21 does not appear to have the same wording. (AEP)
Response: IDEM believes that the commentor means to refer to 326 IAC 2-2-1(w)(3) and 326 IAC 2-2-1(w)(4) and not 326 IAC 2-1-1(w)(3) and 326 IAC 2-1-1(w)(4) and has responded accordingly. IDEM added the list under 326 IAC 2-2-1(w)(3) and 326 IAC 2-2-1(w)(4) in a LSA Document #83-101 that printed as final in the June 1, 1984, Indiana Register. This list is part of the lead state implementation plan (SIP). There are no changes to the list at this time.
Comment: In a 1996 proposed Federal Register, U.S. EPA added ozone-depleting substances (ODS) to the list of pollutants with a specific significance level of one hundred (100) tons per year. Comments were submitted in response to the First Notice of Comment Period regarding this 1996 proposed Federal Register and IDEM did not adequately respond to that comment. IDEM is relying upon outdated guidance documents in amending this rule. The list of ozone depleting substances under 326 IAC 2-2-1(hh)(21) should be expanded to include all ozone-depleting substances instead of just the five (5) CFCs listed in order to encourage switching to lower ozone depleting pollutants not necessarily listed when this rule was amended; 326 IAC 2-2-1(hh)(22) should also be deleted. (GEP)(ELC)
Response: The purpose of the rulemaking is to revise the existing rule to meet U.S. EPA requirements for approval into the Indiana SIP. The draft language mirrors Wisconsin's language that was approved by U.S. EPA in 1999 as an amendment to Wisconsin's SIP. In addition, provisions in 326 IAC 2-2-1(hh)(21) are being moved from 326 IAC 2-2-1(x) to mirror 40 CFR 51.166(b)(23)(ii) and 40 CFR 52.21(b)(23)(ii). IDEM will consider changing the language when U.S. EPA issues a final rule.
Comment: IDEM has proposed to insert the word "federally" before the word "enforceable" in the definitions in 326 IAC 2-2-1 of "allowable emissions", "major modification", "net emissions increase", and "potential to emit." Each instance "enforceable" pertains to a permit term or condition taken to limit potential to emit. The word "federally" should be removed because the limitation is not required. In a 1995 decision (Chemical Manufacturers Assn. vs U.S. EPA, D.C. Cir. 1995, No. 89-1514), the court vacated the federal enforceability requirement of the PTE definitions in the PSD and NSR rules. That means the requirement no longer exists

and the term should be removed from the rule. (GEP)(ELC)

Response: The term federally enforceable is contained in the 1998 edition of 40 CFR 52.21 and 51.166 as a result of the Alabama Power Company vs Costle decision. U.S. EPA has not amended Title 40 of the Code of Federal Regulations as a result of the 1995 case as stated and has footnoted the proposed federal rule (July 23, 1996, 61 FR 38249) that they are not taking action at this time. For federal approvability, IDEM's definitions must conform to U.S. EPA's definitions. When U.S. EPA amends their definitions IDEM will consider amending its definitions to maintain consistency between state and federal definitions.

Comment: Under 326 IAC 2-2-5(c)(1), IDEM should update its reference to U.S. EPA's Guidelines on Air Quality Models published in 1986 by changing the reference to 40 CFR 51, Appendix W where the document has been codified into federal regulations rather than amending the rule every time a supplement is issued. (GEP)

Response: IDEM agrees. The wording of 326 IAC 2-2-5(c)(1) has been clarified.

Comment: The limitation under 326 IAC 2-2-5(c)(2) that an air quality impact model must be deemed "inappropriate" in order to modify it or to use another model is overly restrictive and unnecessary. There may be other better models available not specified in the U.S. EPA Guidelines. Since the alternate model must be subject to public comment and approved by U.S. EPA prior to use, these are adequate protections without having to prove a model is "inappropriate." (GEP)

Response: The wording under 326 IAC 2-2-5(c)(2) is taken directly from 40 CFR 51.166(l)(2), air quality models. If a source believes that a model is inappropriate, it may modify the model or substitute another model with written approval from U.S. EPA, after being subject to notice with opportunity for public comment under 40 CFR 51.02.

Comment: 326 IAC 2-2-16 provides that no concentration of a pollutant under 326 IAC 2-2 shall exceed the lowest of concentrations in the primary or secondary national ambient air quality standards but doesn't specify at what location such a concentration should be determined. Determinations are usually made at receptor sites outside the boundaries of the plant site as confirmed by the federal definition of "ambient air." Ambient air is not defined in the Indiana Code or the Indiana Administrative Code. A definition should be added to 326 IAC 1-2 that is identical to the federal definition, then 326 IAC 2-2-16 should be amended to clarify that the concentrations referred to are those in ambient air.

In addition, the clarity and utility of the rule would be enhanced by including a reference to the rule where the national primary and secondary ambient air quality standards are located. (GEP)

Response: The wording is taken directly from 40 CFR 51.166. The intent of the rule amendments is to mirror the federal language in order to obtain federal approval of 326 IAC 2-2. Ambient air is not defined under 40 CFR 51.166 and any deviations from the federal definitions have to be demonstrated by the state to be at least as stringent as the federal definitions in all respects. The department will not add any definitions separate from those listed in 40 CFR 51.166 at this time. The national and secondary air quality standards are located at 40 CFR 50 and will be added to the rule language as requested.

Comment: The following typographical errors should be corrected: Under 326 IAC 2-2-1(o), the fraction ⅓ should be placed inside the parentheses, 326 IAC 2-2-1(hh)(23) should be revised to conform to the format of the preceding 22 subdivisions, and in 326 IAC 2-2-14(e), the heading for the table incorrectly includes the phrase "of Sulfur Dioxide" which should be moved to the table heading in 326 IAC 2-2-14(h). (GEP)

Response: IDEM agrees, and the rule changes have been made.

Comment: One (1) of the most difficult aspects of determining whether PSD applies to a project is a result of the definition of actual emissions at 326 IAC 2-2-1(b). According to this definition, unless an emissions unit has begun normal operations, the post-modification actual emissions is equal to the post-modification potential to emit. This past-actual-to-future-actual test complicates NSR applicability and forces many projects that result in no real increase in emissions to either undergo NSR or obtain time-consuming synthetic minor limits.

IDEM has alleviated this problem for electric utility steam generating units which should be expanded from electric utility steam generating units in 326 IAC 2-2-1(b)(3) and (4) to all emission source categories. In addition, the definition of "Representative actual annual emissions" under subsection (ff) should be revised to broaden the applicability beyond electric utilities. (ELC)

Response: The WEPCO case subject matter only included electric steam generating units and U.S. EPA has not broadened the applicability beyond these sources. At this time, IDEM cannot extend the applicability beyond U.S. EPA's interpretation since we are seeking federal approval for this rule.

Comment: Under 326 IAC 2-2-1(w), definition of major stationary source, the term "chemical process plants" is too broad and ambiguous. The replacement terms for chemical process plants should focus on a specific category of chemical production facilities that have potentially large air emissions. IDEM and U.S. EPA's definition of chemical process plants includes any source under the Standard Industrial Classification (SIC) Code Major Grouping 28 and includes twenty-nine (29) separate industry categories. Many of the industries under the umbrella of SIC Code are not significant emission sources comparable to the other twenty-five (25) listed source categories. This causes the PSD rules to apply to more sources than appropriate. (ELC)

Response: The suggested change would make the state rule less stringent than the federal rule since U.S. EPA defines major source using the two-digit classification. The state rule must be at least as stringent as the federal rule for federal approvability.

Comment: The proposed definition of "significant" includes proposed amendments that will make Indiana's definition match the

July 23, 1996, proposed revisions to the U.S. EPA's PSD rules, but the Indiana rules retain significant emission rates for asbestos, beryllium, mercury, and vinyl chloride which should be deleted. (ELC)

Response: The list is taken from 40 CFR 51.166, which are the rules currently enforced by U.S. EPA. IDEM has added CFCs and Halons to aid in toxics compliance. Other changes will be considered when U.S. EPA issues its final federal rule.

Comment: IDEM needs to include the definition of the terms "nonroad engine" and "nonroad vehicle" from U.S. EPA's July 23, 1996, proposed Federal Register as excluded under the definition of stationary source. (ELC)

Response: IDEM will consider adding definitions of "nonroad engine" and "nonroad vehicle" if U.S. EPA includes definitions for these terms in the final federal rule.

Comment: The suggested amendments in 326 IAC 2-2 should be added to 326 IAC 2-3, nonattainment new source review rules, either in this rule making action or a future action. (ELC)

Response: The purpose of the amendments to 326 IAC 2-2 is to seek U.S. EPA approval of Indiana's PSD rules. Amendments to 326 IAC 2-3 will be considered at a later date.

SUMMARY/RESPONSE TO COMMENTS RECEIVED AT THE FIRST PUBLIC HEARING

On August 2, 2000, the air pollution control board (board) conducted the first public hearing/board meeting concerning the development of amendments to 326 IAC 2-2. Comments were made by the following parties:

John Blair, Valley Watch (VW)
Bernie Paul, Eli Lilly and Company (ELC)
Tom Neltner, Improving Kids' Environment (IKE)
Andy Knott, Hoosier Environmental Council (HEC)
Steve Loeschner, citizen (SL)
Miriam Dant, representing GE Plastics (GEP)

Following is a summary of the comments received and IDEM's responses thereto:

Comment: The commenter supports the three (3) items in IDEM's discussion of the rule. Section 5(c)(2) on page 19, model deemed inappropriate, should be removed from the rule as IDEM should only be using a U.S. EPA approved model. Models shouldn't be modified to get specific answers. New board members should be aware that Indiana is forty-eighth through fiftieth among all states in the release of SO_2, PM, and NO_x in the last fifteen (15) years. Indiana has air emission problems and needs to make changes to rectify them. (VW)

Response: U.S. EPA must approve all models used. If a model is deemed inappropriate for a particular situation, a substitute model may be submitted to U.S. EPA for review and approval prior to use.

Comment: Burning coal creates air pollution, is a solid waste problem, and just can't be clean so the term Clean Coal Technology isn't appropriate. The board should amend the term "Clean Coal Technology" by deleting the word "clean" before the word "coal" if there is no good reason for it being there. (VW)(SL)

Response: Section 415 of Title IV of the 1990 Clean Air Act Amendments (CAAA) created exemptions from PSD for certain clean coal technology demonstration projects and granted special treatment to utilities that sought to comply with the acid rain reductions by repowering with a qualifying Clean Coal Technology. On July 21, 1992, U.S. EPA incorporated the clean coal technology exemptions in the federal PSD rules. IDEM is incorporating these provisions directly from the federal requirements for the purpose of obtaining federal approval of the rules.

Comment: IDEM should obtain U.S. EPA approval for the PSD rules but should adopt good policy during the rule process and not just adopt current federal language. Certain rules have been invalidated by court rulings within the last five (5) years or overridden by 1990 Clean Air Act Amendments and IDEM has not accepted comments to make those changes. The word "federally" has been struck down by the D.C. Circuit Court three (3) times in 1995, and Indiana should delete that term from their rule. Under the definition of "major stationary source", chemical process plants should not be categorized under the Standardized Industrial Code of 28 but rather a more descriptive 4-digit code. Under the definition of "significant", asbestos, beryllium, mercury, and vinyl chloride should be deleted from the rule as listed in U.S. EPA's proposed Federal Register in 1996. With other regulations being issued for these four (4) pollutants, this rule isn't needed. IDEM needs to expand the list of ozone depleting substances in the rule to include the list of compounds from the 1996 proposed Federal Register. Those substances not currently included in the rule require a PSD permit for any emission limit over zero (0). The board needs to expand the list of eight (8) ozone depleting substances in the rule to those in the 1996 proposed Federal Register. (ELC)(GEP)

Response: The D.C. Circuit Court spoke to the word "federally enforceable" only as it pertains to the definition of potential to emit. IDEM will review the language in 326 IAC 2-2-1 and may propose amendments to the rule at final adoption if appropriate to the court's decision and approvable by U.S. EPA. IDEM follows U.S. EPA's guidance in the use of the two-digit SIC code for chemical process plants. IDEM may be more stringent than U.S. EPA by continuing to include the four (4) substances of asbestos, beryllium, mercury, and vinyl chloride under the definition of "significant". IDEM believes that it is important to maintain the authority to regulate these hazardous air pollutants under the PSD review program. There is no assurance that future federal rules will provide

equivalent authority to require best available control technology or otherwise limit an increase in emissions of these hazardous air pollutants from a new or modified source. IDEM will review the list of ozone depleting substances in the proposed 1996 Federal Register and consult with U.S. EPA regarding their inclusion into the proposed rule at final adoption.

Comment: The commenter supports IDEM's definition of "significant" by maintaining beryllium, asbestos, vinyl chloride, and mercury in the rule. These pollutants are some of the more serious hazardous air pollutants that U.S. EPA chooses to regulate. The regulations have been in effect for twenty (20) years and Indiana shouldn't backslide now and delete them from the rules. (IKE)

Comment: Indiana is the state with the fifth highest levels of mercury emissions in the country from power plants. This rule will regulate sources not already regulated, such as power plants. (HEC)

Response: IDEM agrees that these hazardous air pollutants should be included in the definition of significant.

Comment: The level for mercury in the rule should be lowered from one-tenth (.10) ton per year to fifty (50) pounds per year. The power industry is putting out five (5) tons per year of mercury here. There is a need for a better definition for fossil fuel fired steam electric plant. Subsections (w) and (o) should be amended so that whenever the amount of water injection is ten percent (10%) or greater, it should be called a steam electric generating unit. (SL)

Response: IDEM is researching the number of sources that would be affected, if the mercury threshold is lower. A report will be given to the board at the time of final adoption. U.S. EPA provides an interpretation of the definition of a fossil fuel-fired steam electric plants with respect to combustion turbines in a guidance memo dated February 2, 1993, entitled "Determining PSD Applicability Thresholds for Gas Turbine Based Facilities". This guidance document was sent to the commenter from U.S. EPA. Since the purpose of this rulemaking is to obtain federal approval of the state PSD rule, IDEM will continue to follow U.S. EPA's interpretation according to the guidance document.

326 IAC 2-2-1	**326 IAC 2-2-9**
326 IAC 2-2-2	**326 IAC 2-2-10**
326 IAC 2-2-3	**326 IAC 2-2-11**
326 IAC 2-2-4	**326 IAC 2-2-12**
326 IAC 2-2-5	**326 IAC 2-2-13**
326 IAC 2-2-6	**326 IAC 2-2-14**
326 IAC 2-2-7	**326 IAC 2-2-15**
326 IAC 2-2-8	**326 IAC 2-2-16**

SECTION 1. 326 IAC 2-2-1, PROPOSED TO BE AMENDED AT 23 IR 1441, SECTION 1, IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-1 Definitions
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 1. (a) The definitions in this section apply throughout this rule.

(b) "Actual emissions" means the actual rate of emissions of a pollutant from an emissions unit, as determined in accordance with the following:

(1) In general, actual emissions as of a particular date shall equal the average rate, in tons per year, at which the unit actually emitted the pollutant during a two (2) year period which precedes the particular date and which is representative of normal source operation. The department shall allow the use of a different time period upon a determination that it is more representative of normal source operation. Actual emissions shall be calculated using the unit's actual operating hours, production rates, and types of materials processed, stored, or combusted during the selected time period.

(2) The department may presume that source-specific allowable emissions for the unit are equivalent to the actual emissions of the unit.

(3) For any emissions unit, **other than an electric utility steam generating unit described in subdivision (4),** which has not begun normal operations on the particular date, actual emissions shall equal the potential to emit of the unit on that date.

(4) For an electric utility steam generating unit, other than a new unit or the replacement of an existing unit, actual emissions of the unit following the physical or operational change shall equal the representative actual annual emissions of the unit, provided the source owner or operator maintains and submits to the department on an annual basis for a period of five (5) years from the date the unit resumes regular operation, information demonstrating that the physical or operational change did not result in an emissions increase. A longer period, not to exceed ten (10) years, may be required by the department if the department determines such a period to be more representative of normal source post-change

operations.

(c) "Adverse impact on visibility" means visibility impairment that interferes with the management, protection, preservation, or enjoyment of the visitor's visual experience of the federal Class I area, as defined in section 13 of this rule. This determination must be made on a case-by-case basis taking into account the geographic extent, intensity, duration, frequency, and time of visibility impairment, and how these factors correlate with:
(1) times of visitor use of the federal Class I area; and
(2) the frequency and timing of natural conditions that reduce visibility.

~~(c)~~ **(d)** "Allowable emissions" means the emissions rate of a **stationary** source calculated using the maximum rated capacity of the source (unless a source is subject to **federally** enforceable permit limits which restrict the operating rate, or hours of operation, or both) and the most stringent of:
(1) the applicable standards as set forth in 40 CFR 60 and 40 CFR 61*;
(2) the state implementation plan emissions limitation, including those with a future compliance date; or
(3) the emissions rate specified as ~~an~~ **a federally** enforceable permit condition, including those with a future compliance date.

~~(d)~~ **(e)** "Baseline area" means **the following:**
(1) Any intrastate area (and every part thereof) designated as attainment or unclassifiable in accordance with 326 IAC 1-4 in which the major ~~PSD~~ **stationary** source or major ~~PSD~~ modification establishing the minor source baseline date would construct or would have an air quality impact equal to or greater than one **(1)** microgram per cubic meter ~~(1 $\mu g/m^3$)~~ **($\mu g/m^3$)** (annual average) of the pollutant for which the minor source baseline date is established.
(2) Area redesignations under 326 IAC 1-4 and Section 107(d)(1)(D) or 107(d)(1)(E) of the Clean Air Act (CAA)* cannot intersect or be smaller than the area of impact of any major stationary source or major modification that:
(A) establishes a minor source baseline date; or
(B) is subject to 40 CFR 52.21* and this rule and would be constructed in the same state as the state proposing the redesignation.
(3) Any baseline area established originally for the total suspended particulate (TSP) increments shall remain in effect and shall apply for purposes of determining the amount of available PM_{10} increments, except that such baseline area shall not remain in effect if U.S. EPA rescinds the corresponding minor source baseline date in accordance with 40 CFR 52.21(b)(14)(iv)*.

~~(e)~~ **(f)** "Baseline concentration" means that ambient concentration level which exists in the baseline area at the time of the applicable minor source baseline date. The baseline concentration is determined for each pollutant for which a baseline date is established and shall include the following:
(1) The actual emissions representative of sources in existence on the applicable minor source baseline date, except as provided in subdivision (3).
(2) The allowable emissions of major ~~PSD~~ **stationary** sources which commenced construction before the major source baseline date, but were not in operation by the applicable minor source baseline date.
(3) The following will not be included in the baseline concentration and will affect the applicable maximum allowable increase(s):
(A) Actual emissions from any major ~~PSD~~ **stationary** source on which the construction commenced after the major source baseline date.
(B) Actual emissions increases and decreases at any source occurring after the minor source baseline date.

~~(f)~~ **(g)** "Begin actual construction" means, in general, initiation of physical on-site construction activities on an emissions unit which are of a permanent nature. Such activities include, but are not limited to, installation of building supports and foundations, laying underground pipework and construction of permanent storage structures. With respect to a change in method of operations, this term refers to those on-site activities other than preparatory activities which mark the initiation of the change.

~~(g)~~ **(h)** "Best available control technology" means an emissions limitation (including a visible emissions standard) based on the maximum degree of reduction for each pollutant subject to regulation under the provisions of the Clean Air Act, which would be emitted from any proposed major ~~PSD~~ **stationary** source or major ~~PSD~~ modification, which the commissioner, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable for such source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant. In no event shall application of best available control technology result in emissions of any pollutant which would exceed the emissions allowed by any applicable standard under

40 CFR 60* and 40 CFR 61*. If the commissioner determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the imposition of an emissions standard not feasible, a design, equipment, work practice, operational standard, or combination thereof, may be prescribed instead to satisfy the requirements for the application of best available control technology. Such standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of such design, equipment, work practice or operation, and shall provide for compliance by means which achieve equivalent results.

~~(h)~~ **(i)** "Building, structure, facility, or installation" means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one (1) or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control), **except the activities of any vessel.** Pollutant-emitting activities shall be considered as part of the same industrial grouping if they belong to the same "major group," (i.e., which have the same first two (2) digit code) as described in the Standard Industrial Classification Manual, 1972, as amended by the 1977 Supplement (U.S. Government Printing Office).

(j) "Clean coal technology" means any technology, including technologies applied at the precombustion, combustion, or postcombustion stage, at a new or existing facility that will achieve significant reductions in air emissions of sulfur dioxide or oxides of nitrogen associated with the utilization of coal in the generation of electricity, or process steam that was not in widespread use as of November 15, 1990.

(k) "Clean coal technology demonstration project" means a project using funds appropriated under the heading "Department of Energy–Clean Coal Technology", up to a total amount of two billion five hundred million dollars ($2,500,000,000) for commercial demonstration of clean coal technology, or similar projects funded through appropriations for U.S. EPA. The federal contribution for a qualifying project shall be at least twenty percent (20%) of the total cost of the demonstration project.

~~(i)~~ **(l)** "Commence", as applied to construction of a major ~~PSD~~ **stationary** source or major ~~PSD~~ modification, means that the owner or operator has all necessary preconstruction approvals or permits and either has:
(1) begun, or caused to begin, a continuous program of actual on-site construction of the source to be completed within a reasonable time; or
(2) entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time.

~~(j)~~ **(m)** "Complete" means, in reference to an application for a permit, that the application contains all of the information necessary for processing the application. Designating an application complete for purposes of permit processing does not preclude the department from requesting or accepting any additional information.

~~(k)~~ **(n)** "Construction" means any physical change or change in the method of operation (including fabrication, erection, installation, demolition, or modification of an emissions unit) which would result in a change in actual emissions.

(o) "Electric utility steam generating unit" means any steam electric generating unit that is constructed for the purpose of supplying more than one-third (⅓) of its potential electric output capacity and more than twenty-five (25) megawatts electrical output to any utility power distribution system for sale. Any steam supplied to a steam distribution system for the purpose of providing steam to a steam-electric generator that would produce electrical energy for sale is also considered in determining the electrical energy output capacity of the affected facility.

~~(l)~~ **(p)** "Emissions unit" means any part of a stationary source which emits or would have the potential to emit any pollutant regulated under the provisions of the Clean Air Act.

(q) "Federal land manager" means, with respect to any lands in the United States, the secretary of the department with authority over such lands.

~~(m)~~ **(r)** "Fugitive emissions" means those emissions ~~which~~ **that** could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.

(s) "High terrain" means any area having an elevation nine hundred (900) feet or more above the base of the stack of a source.

~~(n)~~ **(t)** "Innovative control technology" means any system of air pollution control that has not been adequately demonstrated in practice, but would have a substantial likelihood of achieving greater continuous emissions reduction than any control system in current practice or of achieving at least comparable reductions at lower cost in terms of energy, economics, or nonair quality environmental impacts.

(u) "Low terrain" means any area other than high terrain.

~~(o)~~ **(v)** "Major ~~PSD~~ modification" means any physical change in, or change in the method of operation of, a major ~~PSD~~ **stationary** source that would result in **a** significant net emissions increase of any pollutant that is being regulated under the Clean Air Act. The following shall apply:
(1) Any net emissions increase that is significant for volatile organic compounds shall be considered significant for ozone.
(2) A physical change or change in the method of operation shall not include the following:
(A) Routine maintenance, repair, and replacement.
(B) Use of an alternative fuel or raw material by reason of an order under Sections 2(a) and 2(b) of the Energy Supply and Environmental Coordination Act of 1974 or by reason of a natural gas curtailment plan pursuant to the Federal Power Act.
(C) Use of an alternative fuel by reason of an order under Section 125 of the Clean Air Act.
(D) Use of an alternative fuel at a steam generating unit to the extent that the fuel is generated from municipal solid waste.
(E) Use of an alternative fuel or raw material by a source which:
(i) the source was capable of accommodating before January 6, 1975, unless such change would be prohibited under any **federally** enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21* or under this rule or 326 IAC 2-3; or
(ii) the source is approved to use under any permit issued under 40 CFR 52.21* or under this rule.
(F) An increase in the hours of operation or in the production rate, unless such change would be prohibited under any **federally** enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21* or under this rule or 326 IAC 2-3.
(G) Any change in ownership at a source.
(H) The addition, replacement, or use of a pollution control project **as defined in subsection (bb) and 326 IAC 2-1.1-1(13)** at an existing source unless the department determines that:
(i) such addition, replacement, or use is not environmentally beneficial; or
(ii) the pollution control project would result in a significant net emissions increase that will cause or contribute to a violation of any national ambient air quality standard (NAAQS) or PSD increment.
A pollution control project ~~as described~~ **that is exempt** under this clause shall be considered a significant source modification under 326 IAC 2-7-10.5(f)(8).
(I) The installation, operation, cessation, or removal of a temporary clean coal technology demonstration project, provided that the project complies with:
(i) the state implementation plan; and
(ii) other requirements necessary to attain and maintain the national ambient air quality standards during the project and after the project is terminated.
(J) The installation or operation of a permanent clean coal technology demonstration project that constitutes repowering, provided that the project does not result in an increase in the potential to emit of any regulated pollutant emitted by the unit. This exemption shall apply on a pollutant-by-pollutant basis.
(K) The reactivation of a very clean coal-fired electric utility steam generating unit.

~~(p)~~ **(w)** "Major ~~PSD~~ **stationary** source" means the following:
(1) Any of the following stationary sources of air pollutants which are located or may be located in an attainment or unclassifiable area as designated in 326 IAC 1-4 and which emit or have the potential to emit one hundred (100) tons per year or more of any pollutant subject to regulation under the Clean Air Act:
(A) Fossil fuel-fired steam electric plants of more than two hundred fifty ~~(250)~~ million **(250,000,000)** British thermal units per hour heat input.
(B) Coal cleaning plants (with thermal driers).
(C) Kraft pulp mills.
(D) Portland cement plants.
(E) Primary zinc smelters.
(F) Iron and steel mill plants.

(G) Primary aluminum ore reduction plants.
(H) Primary copper smelters.
(I) Municipal incinerators capable of charging more than ~~two hundred fifty (250)~~ **fifty (50)** tons of refuse per day.
(J) Hydrofluoric, sulfuric, and nitric acid plants.
(K) Petroleum refineries.
(L) Lime plants.
(M) Phosphate rock processing plants.
(N) Coke oven batteries.
(O) Sulfur recovery plants.
(P) Carbon black plants (furnace process).
(Q) Primary lead smelters.
(R) Fuel conversion plants.
(S) Sintering plants.
(T) Secondary metal production plants.
(U) Chemical process plants.
(V) Fossil fuel boilers (or combinations thereof) totaling more than two hundred fifty ~~(250)~~ million **(250,000,000)** British thermal units per hour heat input.
(W) Taconite ore processing plants.
(X) Glass fiber processing plants.
(Y) Charcoal production plants.
(Z) Petroleum storage and transfer units with a total storage capacity exceeding three hundred thousand (300,000) barrels.

(2) Any stationary source with **the** potential ~~PSD emissions of~~ **to emit** two hundred fifty (250) tons per year or more of any air pollutant subject to regulation under the Clean Air Act.

(3) Any of the following stationary sources with potential emissions of five (5) tons per year or more of lead or lead compounds measured as elemental lead:
(A) Primary lead smelters.
(B) Secondary lead smelters.
(C) Primary copper smelters.
(D) Lead gasoline additive plants.
(E) Lead-acid storage battery manufacturing plants that produce two thousand (2,000) or more batteries per day.

(4) Any other stationary source with potential emissions of twenty-five (25) or more tons per year of lead or lead compounds measured as elemental lead.

~~(5) Any major PSD modification as defined in this rule.~~

~~(6)~~ **(5)** Any physical change occurring at a stationary source not qualifying under subdivisions (1) through ~~(5)~~ **(4)** and this subdivision, if the change would by itself qualify as a major ~~PSD~~ **stationary** source under subdivisions (1) through ~~(5).~~ **(4).**

~~(7)~~ **(6)** Notwithstanding subdivisions (1) through ~~(6),~~ **(5),** the following sources shall not be considered a major ~~PSD~~ **stationary** source:
(A) A source or modification of a source where it would qualify under subdivisions (1) through ~~(6)~~ **(5)** only if fugitive emissions, to the extent quantifiable, are considered in calculating potential to emit of the stationary source or modification and such source does not belong to any of the categories listed in subdivision (1) or any other stationary source category which, as of August 7, 1980, is being regulated under Section 111 or 112 of the Clean Air Act (42 U.S.C. 7411 or 42 U.S.C. 7412).
(B) A source or modification of a source which is a portable stationary source which has previously received a permit complying with 326 IAC 2-5.1-3 or 326 IAC 2-7 and section 3 of this rule if:
(i) the source proposes to relocate and emissions of the source at the new location would be temporary;
(ii) the emissions from the source would not exceed its allowable emissions;
(iii) emissions from the source would impact no area where an applicable increment is known to be violated; and
(iv) ten (10) days advance notice is given to the ~~board~~ **department** prior to the relocation identifying the proposed new location and probable duration of the operation at the new location.

~~(8)~~ **(7)** A major ~~PSD~~ **stationary** source that is major for volatile organic compounds shall be considered major for ozone.

~~(q)~~ **(x)** "Major source baseline date" means the following:
(1) In the case of particulate matter and sulfur dioxide, January 6, 1975.
(2) In the case of nitrogen dioxide, February 8, 1988.

~~(r)~~ **(y)** "Minor source baseline date" means the earliest date after the trigger date on which a major ~~PSD~~ **stationary** source or major

~~PSD~~ modification subject to the requirements of this rule or to 40 CFR 52.21* submits a complete application under the relevant regulations, **including the following:**

(1) The trigger date is the following:

~~(1)~~ **(A)** In the case of particulate matter and sulfur dioxide, ~~January 6, 1975.~~ **August 7, 1977.**

~~(2)~~ **(B)** In the case of nitrogen dioxide, February 8, 1988.

(2) The baseline date is established for each pollutant for which increments or other equivalent measures have been established if:

(A) the area in which the proposed source or modification would construct is designated as attainment or unclassifiable under 326 IAC 1-4 for the pollutant on the date of its complete application under this rule; and

(B) in the case of a major stationary source, the pollutant would be emitted in significant amounts, or, in the case of a major modification, there would be a significant net emissions increase of the pollutant.

(3) Any minor source baseline date established originally for the TSP increments shall remain in effect and shall apply for purposes of determining the amount of available PM_{10} increments, except that U.S. EPA will rescind a minor source baseline date where it can be shown, to the satisfaction of U.S. EPA, that the emissions increase from the major stationary source, or net emissions increase from the major modification, responsible for triggering that date did not result in a significant amount of PM_{10} emissions.

~~(s)~~ **(z)** "Necessary preconstruction approvals or permits" means those permits or approvals required under those air quality control laws and regulations which are part of the state implementation plan.

~~(t)~~ **(aa)** "Net emissions increase", with reference to a significant net emissions increase, means the tons per year amount by which the sum of the following exceeds zero (0):

(1) Any increase in actual emissions from a particular physical change or change in the method of operation at a source.

(2) Any other increases and decreases in actual emissions at the source that are contemporaneous with the particular change and are otherwise creditable as follows:

(A) An increase or decrease in actual emissions is contemporaneous with the increase from the particular change only if it occurs between:

(i) the date five (5) years before construction on the particular change commences; and

(ii) the date that the increase from the particular change occurs.

(B) An increase or decrease in actual emissions is creditable only if the ~~board~~ **department** has not relied on ~~said~~ **the** increase or decrease in issuing a permit for the source under this rule, ~~which~~ **and the** permit is in effect when the increase in actual emissions from the particular change occurs.

(C) An increase or decrease in actual emissions of sulfur dioxide, particulate matter, or nitrogen oxides which occurs before the applicable baseline date is creditable only if it is required to be considered in calculating the amount of maximum allowable increases remaining available. **With respect to particulate matter, only PM_{10} emissions shall be used to evaluate the net emissions increase for PM_{10}.**

(D) An increase in actual emissions is creditable only to the extent that a new level of actual emissions exceeds the old level.

(E) A decrease in actual emissions is creditable only to the extent that:

(i) the old level of actual emissions or the old level of allowable emissions, whichever is lower, exceeds the new level of actual emissions;

(ii) it is **federally** enforceable at and after the time that actual construction on the particular change begins; and

(iii) it has approximately the same qualitative significance for public health and welfare as that attributed to the increase from the particular change.

(F) An increase that results from the physical change at a source occurs when the emissions unit on which construction occurred becomes operational and begins to emit a particular pollutant. Any replacement unit that requires shakedown becomes operational only after a reasonable shakedown period, not to exceed one hundred eighty (180) days.

(bb) "Pollution control project" means the following:

(1) For an electric utility steam generating unit, any activity or project undertaken at an existing electric utility steam generating unit for purposes of reducing emissions from such unit. Such activities or projects are limited to the following:

(A) The installation of conventional or innovative pollution control technology, including but not limited to advanced flue gas desulfurization, sorbent injection for sulfur dioxide and nitrogen oxides controls and electrostatic precipitators.

(B) An activity or project to accommodate switching to a fuel that is less polluting than the fuel in use prior to the activity or project, including, but not limited to:

(i) natural gas or coal reburning; or

(ii) the cofiring of natural gas and other fuels for the purpose of controlling emissions.
(C) A permanent clean coal technology demonstration project conducted under Title II, Section 101(d) of the Further Continuing Appropriations Act of 1985 (42 U.S.C. 5903(d)*), or subsequent appropriations, up to a total amount of two billion five hundred million dollars ($2,500,000,000), for commercial demonstration of clean coal technology, or similar projects funded through appropriations for U.S. EPA.
(D) A permanent clean coal technology demonstration project that constitutes a repowering project.
(2) For any unit other than an electric utility steam generating unit, pollution control project is defined at 326 IAC 2-1.1-1(13).

~~(u)~~ **(cc)** "Potential to emit" means the maximum capacity of a source or major ~~PSD~~ modification to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is **federally** enforceable. Secondary emissions do not count in determining the potential to emit of a source.

(dd) "Reactivation of a very clean coal-fired electric utility steam generating unit" means any physical change or change in the method of operation associated with the commencement of commercial operations by a coal-fired utility unit after a period of discontinued operation where the unit:
(1) has not been in operation for the two (2) year period prior to the enactment of the Clean Air Act Amendments of 1990, and the emissions from such unit continue to be carried in the department's emissions inventory at the time of enactment;
(2) was equipped prior to shut-down with a continuous system of emissions control that achieves a removal efficiency for sulfur dioxide of no less than eighty-five percent (85%) and a removal efficiency for particulates of no less than ninety-eight percent (98%);
(3) is equipped with low-NO_x burners prior to the time of commencement of operations following reactivation; and
(4) is otherwise in compliance with the requirements of the CAA.

(ee) "Repowering" means replacement of an existing coal-fired boiler with one (1) of the following clean coal technologies:
(1) Atmospheric or pressurized fluidized bed combustion.
(2) Integrated gasification combined cycle.
(3) Magnetohydrodynamics.
(4) Direct and indirect coal-fired turbines.
(5) Integrated gasification fuel cells.
(6) As determined by U.S. EPA, in consultation with the Secretary of Energy, a derivative of one (1) or more of these technologies, and any other technology capable of controlling multiple combustion emissions simultaneously with improved boiler or generation efficiency and with significantly greater waste reduction relative to the performance of technology in widespread commercial use as of November 15, 1990.
Repowering shall also include any oil or gas-fired, or both, unit that has been awarded clean coal technology demonstration funding as of January 1, 1991, by the Department of Energy. U.S. EPA shall give expedited consideration to permit applications for any source that satisfies the requirements of this subsection and is granted an extension under Section 409 of the Clean Air Act.

(ff) "Representative actual annual emissions" means the average rate, in tons per year, at which the source is projected to emit a pollutant for the two (2) year period after a physical change or change in the method of operation of a unit, (or a different consecutive two (2) year period within ten (10) years after that change, where the department determines that such period is more representative of normal source operations), considering the effect any such change will have on increasing or decreasing the hourly emissions rate and on projected capacity utilization. In projecting future emissions, the department shall do the following:
(1) Consider all relevant information, including, but not limited to, the following:
(A) Historical operational data.
(B) The company's own representations.
(C) Filings with Indiana or federal regulatory authorities.
(D) Compliance plans under Title IV of the CAA.
(2) Exclude, in calculating any increase in emissions that results from the particular physical change or change in the method of operation at an electric utility steam generating unit, that portion of the unit's emissions following the change that could have been accommodated during the representative baseline period and is attributable to an increase in

projected capacity utilization at the unit that is unrelated to the particular change, including any increased utilization due to the rate of electricity demand growth for the utility system as a whole.

~~(v)~~ **(gg)** "Secondary emissions" means emissions ~~which~~ **that** would occur as a result of the construction or operation of a major ~~PSD~~ **stationary** source or major ~~PSD~~ modification, but do not come from the major ~~PSD~~ **stationary** source or major ~~PSD~~ modification itself. **The term includes emissions from any off-site support facility that would not be constructed or increase its emissions, except as a result of the construction or operation of the major stationary source or major modification.** For the purpose of this rule, secondary emissions must be specific, well defined, quantifiable, and impact the same general area as the source or modification which causes the secondary emissions. Secondary emissions ~~may include, but are not limited to:~~

~~(1) emissions from ships or trains coming to or from the new or modified source; and~~

~~(2) emissions from any off-site support facility which would not otherwise be constructed or increase its emissions as a result of the construction or operation of the major PSD source or major PSD modification.~~ **do not include any emissions that come directly from a mobile source, such as emissions from:**

(1) the tailpipe of a motor vehicle;

(2) a train; or

(3) a vessel.

~~(w)~~ **(hh)** "Significant" means, in reference to a net emissions increase or the potential of the source to emit any of the following pollutants, a rate of emissions that would equal or exceed any of the following rates:

(1) Carbon monoxide: one hundred (100) tons per year.

(2) Nitrogen oxides: forty (40) tons per year.

(3) Sulfur dioxide: forty (40) tons per year.

(4) Particulate matter: twenty-five (25) tons per year.

(5) PM_{10}: fifteen (15) tons per year.

(6) Ozone: forty (40) tons per year of volatile organic compounds.

(7) Lead: six-tenths (0.6) ton per year.

(8) Asbestos: seven one-thousandths (0.007) ton per year.

(9) Beryllium: four ten-thousandths (0.0004) ton per year.

(10) Mercury: one-tenth (0.1) ton per year.

(11) Vinyl chloride: one (1) ton per year.

(12) Fluorides: three (3) tons per year.

(13) Sulfuric acid mist: seven (7) tons per year.

(14) Hydrogen sulfide (H_2S): ten (10) tons per year.

(15) Total reduced sulfur (including H_2S): ten (10) tons per year.

(16) Reduced sulfur compounds (including H_2S): ten (10) tons per year.

(17) Municipal waste combustor organics (measured as total tetra- through octa-chlorinated dibenzo-p-dioxins and dibenzofurans): thirty-five ten-millionths (0.0000035 or 3.5×10^{-6}) ton per year.

(18) Municipal waste combustor metals (measured as particulate matter): fifteen (15) tons per year.

(19) Municipal waste combustor acid gases (measured as sulfur dioxide and hydrogen chloride): forty (40) tons per year.

(20) Municipal solid waste landfills emissions (measured as nonmethane organic compounds): fifty (50) tons per year.

(21) CFCs 11, 12, 112, 114, 115: one hundred (100) tons per year.

(22) Halons 1211, 1301, 2402: one hundred (100) tons per year.

(23) Any pollutant subject to regulation under the CAA, other than the pollutants listed in this subsection or under Section 112(b) of the Clean Air Act*: any emission rate.

~~(x) "Significant", in reference to a net emissions increase or the potential of a source to emit, means a pollutant subject to regulation under the Clean Air Act, that subsection (w) does not list, any emissions rate.~~

(ii) "Stationary source" means any building, structure, facility, or installation that emits or may emit any air pollutant subject to regulation under the CAA. A stationary source does not include emissions resulting from an internal combustion engine used for transportation purposes, or from a nonroad engine or nonroad vehicle.

(jj) "Temporary clean coal technology demonstration project" means:

(1) a clean coal technology demonstration project that is operated for a period of five (5) years or less; and

(2) that complies with the state implementation plan and other requirements necessary to attain and maintain the national

ambient air quality standards during the project and after the project is terminated.

*Copies of the Code of Federal Regulations (CFR), ~~and Federal Register (FR)~~, **the United States Code, and the Clean Air Act** referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220. *(Air Pollution Control Board; 326 IAC 2-2-1; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2391; filed Apr 13, 1988, 3:35 p.m.: 11 IR 3022; filed Jan 6, 1989, 3:30 p.m.: 12 IR 1102; filed Jun 14, 1989, 5:00 p.m.: 12 IR 2020; filed Nov 25, 1998, 12:13 p.m.: 22 IR 997; errata filed May 12, 1999, 11:23 a.m.: 22 IR 3105)*

SECTION 2. 326 IAC 2-2-2 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-2 Applicability
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-11; IC 13-15; IC 13-17

Sec. 2. (a) The requirements of this rule shall apply to any major stationary ~~PSD~~ source, as defined in section 1 of this rule, which is being constructed or will be constructed in any attainment or unclassifiable area as designated in 326 IAC 1-4, as of the submittal date of a complete application in accordance with 326 IAC 2-5.1.

~~(b) All major stationary PSD sources otherwise required to comply with this rule will not be required to obtain a PSD permit under this rule if:~~
~~(1) Construction commenced on the source before August 7, 1977.~~
~~(2) The source was subject to the federal review requirements of 40 CFR 52.21(d)(i)* as in effect before March 1, 1978, and the owner or operator:~~
~~(A) obtained final approval effective prior to March 1, 1978;~~
~~(B) commenced construction prior to March 19, 1979; and~~
~~(C) did not discontinue construction for a period of eighteen (18) months or more and completed construction within a reasonable time.~~
~~(3) The source or modification was subject to the federal review requirements of 40 CFR 52.21* as in effect before March 1, 1978, and the review of the application for approval would have been completed by March 1, 1978, but for an extension of the public comment period. This application shall be continued to be processed and granted or denied under 40 CFR 52.21* as in effect prior to March 1, 1978.~~
~~(4) The source was not subject to the federal review requirements of 40 CFR 52.21* as in effect before March 1, 1978, and the owner or operator:~~
~~(A) obtained all final federal, state, or local preconstruction approvals or permits;~~
~~(B) commenced construction before March 19, 1979; and~~
~~(C) did not discontinue construction for a period of eighteen (18) months or more and completed construction within a reasonable time.~~
~~(5) The source was not subject to the federal requirements of 40 CFR 52.21* as in effect on June 19, 1978, or under the partial stay published on February 5, 1980 (45 FR 7800)* and the owner or operator:~~
~~(A) obtained all final federal, state, or local preconstruction approvals or permits necessary under the Indiana implementation plan before August 7, 1980;~~
~~(B) commenced construction within eighteen (18) months from August 7, 1980; and~~
~~(C) did not discontinue construction for a period of eighteen (18) months or more and completed construction within a reasonable time.~~

(b) The owner or operator of a major stationary source or major modification shall not begin actual construction unless, at a minimum, the requirements in sections 3 through 8, 10, and 15 of this rule have been met and a permit has been issued.

(c) Sources ~~which~~ **that** are located in or proposed to be located in an area designated as nonattainment pursuant to 326 IAC 1-4 for a pollutant shall be exempt from the requirements of this rule for that particular pollutant.

(d) A source or modification of a source ~~which~~ **that** would be a nonprofit health or nonprofit educational institution shall be exempt from the requirements of sections 3, 4, and 7 of this rule.

~~*Copies of the Code of Federal Regulations (CFR) and Federal Register (FR) referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220.~~ *(Air Pollution Control Board; 326 IAC 2-2-2; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2395; filed Jan 6, 1989, 3:30 p.m.: 12 IR 1098; filed Nov 25, 1998, 12:13 p.m.: 22 IR 1001; errata filed May 12, 1999, 11:23 a.m.: 22 IR 3105)*

SECTION 3. 326 IAC 2-2-3 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-3 Control technology review; requirements
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-11; IC 13-15; IC 13-17

Sec. 3. (a) Any owner or operator of a major stationary ~~PSD~~ source or major ~~PSD~~ modification shall comply with the following requirements:
(1) A major stationary ~~PSD~~ source or major ~~PSD~~ modification shall meet each applicable emissions limitation under the ~~Indiana~~ **state** implementation plan and each applicable emissions standard and standard of performance under 40 CFR 60* and **40 CFR** 61*.
(2) A new, major stationary ~~PSD~~ source shall apply best available control technology for each pollutant subject to regulation under the provisions of the Clean Air Act for which said source has the potential to emit in significant amounts as defined in ~~326 IAC 2-2-1.~~ **section 1 of this rule.**
(3) A major ~~PSD~~ modification shall apply best available control technology for each pollutant subject to regulation under the provisions of the Clean Air Act for which said modification would result in a significant net emissions increase at the source. This requirement applies to each proposed emissions unit at which a net emissions increase of the pollutant would occur as a result of a physical change or change in the method of operation in the unit.
(4) For phased construction projects, the determination of best available control technology shall be reviewed and modified as appropriate at the latest reasonable time, which occurs no later than eighteen (18) months prior to commencement of construction of each independent phase of the project. At such time, the owner or operator of the applicable source may be required to demonstrate the adequacy of any previous determination of best available control technology for that source.

(b) The requirements for best available control technology set forth in subsection (a) ~~of this section~~ shall not apply to a particular stationary source or modification that was subject to 40 CFR 52.21* as in effect on June 19, 1978, if the owner or operator of the source or modification submitted an application for a permit under this article ~~(326 IAC 2)~~ **this rule** or pursuant to ~~326 IAC 2-2~~ **this rule** before August 7, 1980, and the ~~board~~ **department** subsequently determined that the application submitted before that date was complete. Instead, the requirements of 40 CFR 52.21(j)* and ~~(n)~~ **40 CFR 52.21(n)*** as in effect on June 19, 1978, apply to any such source or modification.

***Copies of the Code of Federal Regulations (CFR) referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220.** *(Air Pollution Control Board; 326 IAC 2-2-3; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2395)*

SECTION 4. 326 IAC 2-2-4 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-4 Air quality analysis; requirements
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 4. (a) Any application for a permit under the provisions of this rule shall contain an analysis of ambient air quality in the area that the major stationary ~~PSD~~ source or major ~~PSD~~ modification would affect for each of the following pollutants:
(1) For a source, each pollutant regulated under the provisions of the Clean Air Act that the source would have the potential to emit in a significant amount.
(2) For a modification, each pollutant regulated under the provision of the Clean Air Act for which the modification would result in a significant net emissions increase.

(b) Exemptions as follows:

(1) The requirements of this section shall not apply to a major stationary ~~PSD~~ source or major ~~PSD~~ modification with respect to a particular pollutant, if the allowable emissions of that pollutant from the source, or the net emissions increase of that pollutant from the modification **would:**

(A) ~~would~~ impact no area where an applicable increment is known to be violated; and

(B) ~~would~~ be temporary.

(2) The requirements of this section as they relate to any maximum allowable increase for a Class II area shall not apply to a major ~~PSD~~ modification at a source that was in existence on March 1, 1978, if the net increase in allowable emissions of each pollutant subject to regulation under the provisions of the Clean Air Act, from the modification, after the application of best available control technology, would be less than fifty (50) tons per year.

(3) A source or modification shall be exempt from the requirements of this section with respect to monitoring for a particular pollutant if:

(A) the emissions increase of the pollutant from a new source or the net emissions increase of the pollutant from a modification would cause, in any area, air quality impacts less than: ~~the following amounts:~~

Carbon Monoxide	575 $\mu g/m^3$, 8-hour average;
Nitrogen Dioxide	14 $\mu g/m^3$, annual average;
Total Suspended Particulate	10 $\mu g/m^3$, 24-hour average;
PM_{10}	10 $\mu g/m^3$, 24-hour average;
Sulfur Dioxide	13 $\mu g/m^3$, 24-hour average;
Ozone	No de ~~minimus~~ **minimis** air quality level is provided for ozone; however, any net increase of one hundred (100) tons per year or more of volatile organic compounds subject to PSD would be required to perform an ambient impact analysis including the gathering of ambient air quality data;
Lead	0.1 $\mu g/m^3$, 3-month average;
Mercury	0.25 $\mu g/m^3$, 24-hour average;
Beryllium	0.001 $\mu g/m^3$, 24-hour average;
Fluorides	0.25 $\mu g/m^3$, 24-hour average;
Vinyl Chloride	15 $\mu g/m^3$, 24-hour average;
Total Reduced Sulfur	10 mg/m^3, 1-hour average;
Hydrogen Sulfide	0.2 $\mu g/m^3$, 1-hour average;
Reduced Sulfur Compounds	10 $\mu g/m^3$, 1-hour average; or

(B) the concentrations of the pollutant in the area that the source or modification would affect are less than the concentrations listed in ~~subsection (a)(3)(A),~~ **clause A,** or the pollutant is not listed in ~~subsection (a)(3)(A).~~ **clause A.**

~~(4) The requirements of this section shall not apply to a particular source or modification that was subject to 40 C.F.R. 52.21* as in effect on June 19, 1978, if the owner or operator of said source or modification submitted an application for a permit under those regulations before August 7, 1980, and the board subsequently determines that the application as submitted before that date was complete. Instead, the requirements of 40 C.F.R. 52.21(j) and (n)* as in effect on June 19, 1978, apply to any such source or modification.~~

~~(5) The requirements for air quality monitoring set forth in subsection (c)(1) through (c)(3) shall not apply to a particular source or modification that was subject to 40 C.F.R. 52.21* as in effect on June 19, 1978, if the owner or operator of the source or modification submitted an application for a permit under this rule on or before June 8, 1981, and the board subsequently determines that the application as submitted before that date was complete with respect to the requirements of this section other than those in the aforementioned paragraphs and with respect to the requirements for such analysis at 40 C.F.R. 52.21(m)(2)* as in effect on June 19, 1980. Instead, the latter requirements shall apply to any such source or modification.~~

~~(6) The requirements for air quality monitoring in subsection (c)(1) through (c)(3) shall not apply to a particular source or modification that was not subject to 40 C.F.R. 52.21* as in effect on June 19, 1978, if the owner or operator of the source or modification submitted an application for a permit under this section on or before June 8, 1981, and the board subsequently determines that the application as submitted before that date was complete, except with respect to the requirements of subsection (c)(1) through (c)(3).~~

(c) All monitoring required by this section shall be done in accordance with the following provisions:
(1) With respect to any pollutant for which no ambient air quality standard designated in 326 IAC 1-3 exists, the analysis shall contain such air quality monitoring data as the commissioner determines is necessary to assess ambient air quality for that pollutant in any area that the emissions of that pollutant would affect.
(2) With respect to any pollutant (other than nonmethane hydrocarbons) for which an ambient air quality standard as designated in 326 IAC 1-3 does exist, the analysis shall contain continuous air quality monitoring data gathered for the purpose of determining whether emissions of that pollutant would cause or contribute to a violation of any maximum allowable increase.
(3) In general, the continuous air quality monitoring data that is required shall have been gathered over a period of at least one (1) year preceding receipt of the application, except that, if the commissioner determines that a complete and adequate analysis can be accomplished with monitoring data gathered over a period shorter than one (1) year (but not less than four (4) months), the data that is required shall have been gathered over at least that shorter period.
~~(4) For any application which becomes complete, except for the requirements in subdivisions (2) through (3), between June 8, 1981, and February 9, 1982, the data that subdivision (2) requires shall have been gathered from February 9, 1981, to the date that the application becomes otherwise complete, except the following:~~
~~(A) If the source or modification would have been major for that pollutant under the provisions of 40 C.F.R. 52.21*, as in effect on June 19, 1978, any monitoring data shall have been gathered over at least the period required by those regulations.~~
~~(B) If the commissioner determines that a complete and adequate analysis can be accomplished with monitoring data over a shorter period (not to be less than four (4) months), the data required by this subsection, shall have been gathered over at least that shorter period.~~
~~(C) If the monitoring data would relate exclusively to ozone and would not have been required under 40 C.F.R. 52.21* as in effect on June 19, 1978, the commissioner may waive the otherwise applicable requirements of subdivision (2) to the extent that the applicant shows that the monitoring data would be unrepresentative of air quality over a full year.~~
~~(5)~~ **(4)** The owner or operator of the proposed major stationary ~~PSD~~ source or major ~~PSD~~ modification of volatile organic compounds who satisfies all conditions of 40 CFR 51, Appendix S, Section IV* may provide post-approval monitoring data for ozone in lieu of providing preconstruction data as required under this subsection.
~~(6)~~ **(5)** The owner or operator of a major stationary ~~PSD~~ source or major ~~PSD~~ modification shall after construction of the source or modification, conduct such ambient monitoring as the commissioner determines is necessary to determine the effect of said emissions which the source or modification may have, or are having, on air quality in any area.
~~(7)~~ **(6)** The owner or operator of a major stationary ~~PSD~~ source or major ~~PSD~~ modification shall comply with the requirements of 40 CFR 58, Appendix B* during operation of monitoring stations for purposes of complying with this section.
~~(8)~~ **(7)** All air quality monitoring shall be done in accordance with state and federal monitoring procedures as set forth in the following references: May 1987 U.S. EPA, "Ambient Air Monitoring Guidelines for Prevention of Significant Deterioration" (EPA 45014-87-007)* and the ~~July 1987~~ **May 1999,** "Indiana **Department of Environmental Management,** Office of Air Management Quality Assurance Manual**".

*Copies of the Code of Federal Regulations (CFR) referenced may be obtained from the Government Printing Office, Washington, D.C. 20402. Copies are also available at the **Indiana** Department of Environmental Management, Office of Air Management, ~~105 South Meridian Street,~~ **Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue,** Indianapolis, Indiana ~~46225.~~ **46204-2220.**

These materials have been incorporated by reference and are available at the **Indiana Department of Environmental Management, ~~105 South Meridian Street,~~ **Office of Air Management, Indiana Government Center-North, Tenth Floor, 100 North Senate Avenue,** Indianapolis, Indiana ~~46225 (Phone: 317/232-8218).~~ **46204-2220.** *(Air Pollution Control Board; 326 IAC 2-2-4; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2396; filed Apr 13, 1988, 3:35 p.m.: 11 IR 3026; filed Jan 6, 1989, 3:30 p.m.: 12 IR 1099)*

SECTION 5. 326 IAC 2-2-5 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-5 Air quality impact; requirements
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 5. (a) The owner or operator of the proposed major ~~PSD~~ **stationary** source or major ~~PSD~~ modification shall demonstrate that allowable emissions increases in conjunction with all other applicable emissions increases or reductions (including secondary emissions) will not cause or contribute to air pollution in violation of:
(1) any ambient air quality standard as designated in 326 IAC 1-3, and any air quality control region; or

(2) any applicable maximum allowable increase over the baseline concentration in any area.

(b) Exemptions are as follows:
(1) The requirements of this section shall not apply to a major ~~PSD~~ **stationary** source or major ~~PSD~~ modification with respect to a particular pollutant, if the allowable emissions of that pollutant from the new source, or the net emissions increase of that pollutant from the modification **would:**
(A) ~~would~~ impact no area where an applicable increment is known to be violated; and
(B) ~~would~~ be temporary.
(2) The requirements of this section, as they relate to any maximum allowable increase for a Class II area, shall not apply to a major ~~PSD~~ modification at a source that was in existence on March 1, 1978, if the net increase in allowable emissions of each pollutant subject to regulation under the provisions of the Clean Air Act from the modification after the application of best available control technology would be less than fifty (50) tons per year.

(c) Air quality impact analysis required by this section shall be conducted in accordance with the following provisions:
(1) Any estimates of ambient air concentrations used in the demonstration processes required by this section, shall be based upon the applicable air quality models, data bases and other requirements specified in ~~the U.S. Environmental Protection Agency "Guidelines on Air Quality Models", EPA-450/2-78-027R, July 1986, including supplement A (1987), *.Office of Air Quality Planning and Standards, RTP, N.C., 27711.~~ **40 CFR 51, Appendix W (Requirements for Preparation, Adoption, and Submittal of Implementation Plans, Guideline on Air Quality Models)*.**
(2) Where an air quality impact model specified in the guidelines cited in subdivision (1) is inappropriate, a model may be modified or another model substituted, provided that all applicable guidelines are satisfied.
(3) Modifications or substitution of any model may only be done in accordance with guideline documents and with written approval from ~~the Administrator of~~ U.S. EPA and shall be subject to public comment procedures set forth in 326 IAC 2-1.1-6.

***Copies of 40 CFR 51, Appendix W referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220.** *(Air Pollution Control Board; 326 IAC 2-2-5; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2398; filed Jun 14, 1989, 5:00 p.m.: 12 IR 2024; filed Nov 25, 1998, 12:13 p.m.: 22 IR 1001; errata filed May 12, 1999, 11:23 a.m.: 22 IR 3105)*

SECTION 6. 326 IAC 2-2-6 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-6 Increment consumption; requirements
Authority: IC 13-14-8; IC 13-17-3-4
Affected: IC 13-12

Sec. 6. (a) Any demonstration pursuant to section 5 of this rule should demonstrate that increased emissions caused by the proposed major ~~PSD~~ **stationary** source or major ~~PSD~~ modification will not exceed eighty percent (80%) of the available maximum allowable increases (MAI) over the baseline concentrations for sulfur dioxide, particulate matter and nitrogen dioxide indicated in subsection (c)(1). Available maximum allowable increases are determined by adjusting the MAI to include impacts from:
(1) actual emissions from any major ~~PSD~~ **stationary** source or major ~~PSD~~ modification on which construction commenced after the major source baseline date; and
(2) actual emissions increases and decreases at any source occurring after the minor source baseline date.
On a case-by-case basis, a source may petition the commissioner to use in excess of this eighty percent (80%). The commissioner may authorize such use provided the source adequately demonstrates the need for the same.

(b) Exemptions as follows:
(1) The requirements of this section shall not apply to a major ~~PSD~~ **stationary** source or major ~~PSD~~ modification with respect to a particular pollutant if the allowable emissions of that pollutant from the source or the net emissions increase of that pollutant from the modification **would:**
(A) ~~would~~ impact no area where an applicable increment is known to be violated; and
(B) ~~would~~ be temporary.
(2) The requirements of this section, as they relate to any maximum allowable increase for a Class II area, shall not apply to a major ~~PSD~~ modification at a source that was in existence on March 1, 1978, if the net increase in allowable emissions of each pollutant subject to regulation under the provisions of the Clean Air Act from the modification, after the application of best available control

technology, would be less than fifty (50) tons per year.
(3) The requirements of this section, as they relate to the maximum allowable increase over the baseline nitrogen dioxide concentration, shall not apply to a major ~~PSD~~ **stationary** source or major ~~PSD~~ modification for which a complete application was submitted on or before October 16, 1989.

(c) Increment consumption shall be in accordance with the following:
(1) The following allowable increments reflect the PSD increments for a Class II area (as defined in the Clean Air Act). Indiana has no Class I or Class III areas; however, should some areas of the state be classified as Class I or III, the PSD increments pursuant to 40 CFR 52.21* must be adhered to. New permits issued after January 1, 1995, shall use PM_{10} as the indicator for particulate matter. The allowable increments are as follows:

Maximum Allowable Increments

Pollutants	Allowable Increments (Micrograms Per Cubic Meter, ~~μ/m^3~~ **$\mu g/m^3$** Limits)
(A) Particulate Matter:	
(i) TSP:	
Annual geometric mean	19
24-hour maximum	37
(ii) PM_{10}:	
Annual arithmetic mean	17
24-hour maximum	30
(B) Sulfur Dioxide:	
Annual arithmetic mean	20
24-hour maximum	91
3-hour maximum	512
(C) Nitrogen Dioxide:	
Annual arithmetic mean	25

(2) For any period other than the annual period, the applicable maximum allowable increase may be exceeded during one (1) such period per year at any one (1) location.
(3) When an applicant proposes to construct a major ~~PSD~~ **stationary** source or major ~~PSD~~ modification in an area designated as attainment or unclassified and the increments listed in subdivision (1) have been consumed, the increased emissions from said source or modification may be permitted to be offset by reducing emissions in the affected areas by an equal amount of the pollutant for which the area was designated as attainment or unclassified.
(4) The following pollutant concentrations shall be excluded when determining compliance with a maximum allowable increase:
(A) Concentrations attributable to the increase in emissions from sources which have converted from the use of petroleum products, natural gas, or both by reason of an order in effect under Sections 2(a) and 2(b) of the Energy Supply and Environmental Coordination Act of 1974 over the emissions from such sources before the effective date of such an order.
(B) Concentrations attributable to the increase in emissions from sources which have converted from using natural gas by reason of a natural gas curtailment plan in effect pursuant to the Federal Power Act over the emissions from such sources before the effective date of such plan.
(C) Concentrations of particulate matter attributable to the increase in emissions from construction or other temporary emission-related activities of new or modified sources.
(D) Concentrations attributable to the temporary increase in emissions of sulfur dioxide, particulate matter, or nitrogen oxides from sources are excluded provided, however, that as follows:
(i) Such exclusion shall not exceed two (2) years in duration unless a longer time is approved by the commissioner.
(ii) Such exclusion is not renewable.
(iii) Such exclusion shall allow no emissions increase which would impact an area where an applicable increment is known to be violated, or cause or contribute to a violation of an ambient air quality standard as designated in 326 IAC 1-3.
(iv) An emission limitation shall be in effect at the end of the time period specified in accordance with item (i) which will ensure that the emissions levels will not exceed those levels occurring from such source before September 23, 1981.
(5) No exclusion of such a concentration pursuant to subdivision (4)(A) through (4)(B) shall apply more than five (5) years after either September 23, 1981, or the date said exclusion is granted pursuant to this rule, whichever is later. If both such order and plan are applicable, no such exclusion shall apply more than five (5) years after the latter of such effective dates.

***Copies of the Code of Federal Regulations (CFR) referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220.** *(Air Pollution Control Board; 326 IAC 2-2-6; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2398; filed Jun 14, 1989, 5:00 p.m.: 12 IR 2025; filed Oct 3, 1995, 3:00 p.m.: 19 IR 185)*

SECTION 7. 326 IAC 2-2-7 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-7 Additional analysis; requirements
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 7. ~~(a)~~ The owner or operator shall provide an analysis of the impairment to visibility, soils, and vegetation that would occur as a result of the major stationary ~~PSD~~ source or ~~PSD~~ **major** modification and general commercial, residential, industrial, and other growth associated with ~~said~~ **the** source or modification. The owner or operator need not provide an analysis of the impact on vegetation having no significant commercial or recreational value.

(1) The owner or operator shall provide an analysis of the air quality impact projected for the area as a result of general commercial, residential, industrial, and other growth associated with the source or modification.

(2) The requirements of this section shall not apply to a major stationary ~~PSD~~ source or major ~~PSD~~ modification as defined in ~~326 IAC 2-2,~~ **section 1 of this rule,** with respect to a particular pollutant, if the allowable emissions of that pollutant from the source, or the net emissions increase of the pollutant from the modification **would:**

(A) ~~would~~ impact no area where an applicable increment is known to be violated; and

(B) ~~would~~ be temporary.

(3) The requirements of this section as they relate to any maximum allowable increase for a Class II area shall not apply to a major ~~PSD~~ modification at a major stationary ~~PSD~~ source that was in existence on March 1, 1978, if the net increase in allowable emissions of each pollutant subject to regulation under the Clean Air Act from said modification after the application of best available control technology would be less than fifty (50) tons per year.

(Air Pollution Control Board; 326 IAC 2-2-7; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2399)

SECTION 8. 326 IAC 2-2-8 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-8 Source obligation
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 8. ~~(a)~~ **The following shall apply to** any owner or operator who **proposes to construct,** constructs, or operates a **major stationary** source or **major** modification ~~not in accordance with the application submitted pursuant to this rule (326 IAC 2-2) or with the terms of any approval to construct, or any owner or operator of a source or modification~~ subject to this rule: ~~(326 IAC 2-2) who commences construction after September 23, 1981 without applying for and receiving approval hereunder, shall be subject to appropriate enforcement action.~~

(1) Approval to construct shall become invalid if construction is not commenced within eighteen **(18)** months after receipt of such approval, if construction is discontinued for a period of eighteen (18) months or more, or if construction is not completed within a reasonable time. The commissioner may extend the eighteen (18) month period upon a satisfactory showing that an extension is justified. This provision does not apply to the time period between construction of the approved phases of a phased construction project; each phase must commence construction within eighteen (18) months of the projected and approved commencement date.

(2) Approval for construction shall not relieve any owner or operator of the responsibility to comply fully with applicable provisions of the Indiana implementation plan and any other requirements under local, state, or federal law.

(3) At such time that a particular source or modification becomes a major stationary source or major modification solely by virtue of a relaxation in any enforceable limitation that was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements of this rule shall apply to the source or modification as though construction had not yet commenced on the source or modification.

(Air Pollution Control Board; 326 IAC 2-2-8; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2400)

SECTION 9. 326 IAC 2-2-9 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-9 Innovative control technology
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 9. ~~(a)~~ Any owner or operator of a proposed major stationary ~~PSD~~ source or major ~~PSD~~ modification may request the commissioner in writing to approve a system of innovative control technology.

(1) The commissioner shall, with the consent of the governor and the governors of other affected states, allow the source or modification to employ a system of innovative control technology if:

(A) The proposed control system would not cause or contribute to an unreasonable risk to public health, welfare, or safety in its operation or function.

(B) The owner or operator agrees to achieve a level of continuous emissions reduction equivalent to that which would have been required under ~~326 IAC 2-2-3~~ **section 3 of this rule** by a date specified by the commissioner. Such date shall not be later than four (4) years from the time of start-up or seven (7) years from the date of permit issuance.

(C) The source or modification will meet the requirements of ~~326 IAC 2-2-3~~ **sections 3** and ~~326 IAC 2-2-4,~~ **4 of this rule,** based on the emissions rate that the source employing the system of innovative control technology would be required to meet on the date specified by the commissioner.

(D) The source or modification will not before the date specified by the commissioner:

(i) cause or contribute to a violation of an applicable ambient air quality standard as designated in 326 IAC 1-3;

(ii) impact any area where an applicable increment is known to be violated;

(E) All other applicable requirements including those for public participation have been met.

(F) If applicable, the provisions of section 14 of this rule, relating to Class I areas, have been satisfied with respect to all periods during the life of the source or modification.

(2) The commissioner shall withdraw any approval to employ a system of innovative control technology made under this section if:

(A) the proposed system fails by the specified date to achieve the required continuous emissions reductions rate; ~~or~~

(B) the proposed system ~~itself;~~ **fails** before the specified date, ~~contributes~~ **so as to contribute** to an unreasonable risk to public health, welfare, or safety; or

(C) the commissioner decides at any time that the proposed system is unlikely to achieve the required level of control or to protect the public health, welfare, or safety.

(3) If a **major stationary** source or **major** modification fails to meet the required level of continuous emission reduction within the specified time period, or the approval is withdrawn in accordance with subsection (a)(2), ~~of this section,~~ the commissioner may allow the **major stationary** source or **major** modification up to an additional three (3) years to meet the requirement for the application of best available control technology through use of a demonstrated system of control.

(Air Pollution Control Board; 326 IAC 2-2-9; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2400)

SECTION 10. 326 IAC 2-2-10 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-10 Source information
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-11; IC 13-15; IC 13-17

Sec. 10. ~~(a)~~ The owner or operator of a proposed major stationary ~~PSD~~ source or ~~PSD~~ **major** modification shall submit all information necessary to perform any analysis or make any determination required under this rule. ~~(326 IAC 2-2).~~

(1) With respect to a source or modification to which this rule ~~(326 IAC 2-2)~~ applies, such information shall include:

(A) a description of the nature, location, design capacity, and typical operating schedule of the **major stationary** source or **major** modification, including specifications and drawings showing its design and plant layout;

(B) a detailed schedule for construction of the **major stationary** source or **major** modification; **and**

(C) a detailed description as to what system of continuous emission reduction is planned for the **major stationary** source or **major** modification, emission estimates and any other information necessary to determine that best available control technology would be applied.

(2) Upon request of the commissioner, the owner or operator shall also provide information on:

(A) the air quality impact of the **major stationary** source or **major** modification, including meteorological and topographical data necessary to estimate such impact; and

(B) the air quality impact and the nature and extent of any or all general commercial, residential, industrial, and other growth ~~which~~ **that** has occurred since the baseline date in the area ~~which~~ **that** the **major stationary** source or **major** modification would

affect.
(Air Pollution Control Board; 326 IAC 2-2-10; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2401)

SECTION 11. 326 IAC 2-2-11 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-11 Stack height provisions
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-11; IC 13-15; IC 13-17

Sec. 11. (a) The allowed emission rate for any regulated pollutant under this rule ~~(326 IAC 2-2)~~ shall not be affected in any manner by **the following:**
(1) That portion of a stack height exceeding good engineering practice, as established in 326 IAC 1-7, ~~which~~ **that** was not in existence by December 31, 1970.
(2) Any other dispersion technique not implemented before December 31, 1970.

(b) Subsection (a) ~~of this section~~ shall not apply with respect to stack heights in existence before December 31, 1970, or to dispersion techniques implemented prior to that date. *(Air Pollution Control Board; 326 IAC 2-2-11; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2401)*

SECTION 12. 326 IAC 2-2-12 IS AMENDED TO READ AS FOLLOWS:

326 IAC 2-2-12 Permit rescission
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15-6; IC 13-15-7; IC 13-17

Sec. 12. ~~(a)~~ Any permit issued under this title ~~(326 IAC),~~ shall remain in effect unless and until it is rescinded, modified, revoked, or expires pursuant to ~~IC 13-7-10.~~ **IC 13-15-6 and IC 13-15-7.**
(1) Any owner or operator of a **major stationary** source or **major** modification who holds a permit for the source or modification which was issued under 40 CFR 52.21* may request the commissioner to rescind the permit or a particular portion of the permit.
(2) The commissioner shall grant an application for rescission if the application shows that this section would not apply to the **major stationary** source or **major** modification.
(3) If the commissioner rescinds a permit under this section the public shall be given adequate notice of the rescission. Publication of an announcement of the rescission in the affected region within sixty (60) days of the rescission shall be considered adequate notice.

***Copies of the Code of Federal Regulations (CFR) referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220.** *(Air Pollution Control Board; 326 IAC 2-2-12; filed Mar 10, 1988, 1:20 p.m.: 11 IR 2401)*

SECTION 13. 326 IAC 2-2-13 IS ADDED TO READ AS FOLLOWS:

326 IAC 2-2-13 Area designation and redesignation
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 13. (a) All of the following areas that were in existence on August 7, 1977, shall be Class I areas and shall not be redesignated:
(1) International parks.
(2) National wilderness areas that exceed five thousand (5,000) acres in size.
(3) National memorial parks that exceed five thousand (5,000) acres in size.
(4) National parks that exceed six thousand (6,000) acres in size.

(b) The following shall apply to area designations:
(1) Areas that were redesignated as Class I under regulations promulgated before August 7, 1977, shall remain Class I, but

may be redesignated as provided in this section.
(2) Any other area, unless otherwise specified in the legislation creating such an area, is initially designated Class II, but may be redesignated as provided in this section.
(3) The following areas may be redesignated only as Class I or II:
(A) An area that as of August 7, 1977, exceeded ten thousand (10,000) acres in size and was a:
(i) national monument;
(ii) national primitive area;
(iii) national preserve;
(iv) national recreational area;
(v) national wild and scenic river;
(vi) national wildlife refuge; or
(vii) national lakeshore or seashore.
(B) A national park or national wilderness area established after August 7, 1977, that exceeds ten thousand (10,000) acres in size.

(c) The following shall apply to area redesignations:
(1) All areas, except as otherwise provided under subsection (a), are designated Class II as of December 5, 1974. Redesignation, except as otherwise precluded by subsection (a), may be proposed by the department or Indian governing bodies, as provided in this section, subject to approval by U.S. EPA as a revision to the applicable state implementation plan.
(2) The department may submit to U.S. EPA a proposal to redesignate areas of the state Class I or Class II provided the following:
(A) At least one (1) public hearing has been held in accordance with procedures established in 40 CFR 51.102*.
(B) Other states, Indian governing bodies, and federal land managers whose lands may be affected by the proposed redesignation were notified at least thirty (30) days prior to the public hearing.
(C) A discussion of the reasons for the proposed redesignation, including a satisfactory description and analysis of the:
(i) health;
(ii) environmental;
(iii) economic;
(iv) social; and
(v) energy effects;
of the proposed redesignation, was prepared and made available for public inspection at least thirty (30) days prior to the hearing and the notice announcing the hearing contained appropriate notification of the availability of such discussion.
(D) Prior to the issuance of notice respecting the redesignation of an area that includes any federal lands, the department has provided written notice to the appropriate federal land manager and afforded adequate opportunity, not in excess of sixty (60) days, to confer with the department respecting the redesignation and to submit written comments and recommendations. In redesignating any area with respect to which any federal land manager had submitted written comments and recommendations, the department shall have published a list of any inconsistencies between such redesignation and such comments and recommendations, together with the reasons for making such redesignation against the recommendation of the federal land manager.
(E) The department has proposed the redesignation after consultation with the elected leadership of local and other substate general purpose governments in the area covered by the proposed redesignation.
(3) Any area other than an area under subsection (a) may be redesignated as Class III if the following occurs:
(A) The redesignation would meet the requirements of subdivision (2).
(B) The redesignation, except a redesignation established by an Indian governing body, has been specifically approved by the governor, after consultation with the appropriate committees of the legislature, if it is in session, or with the leadership of the legislature, if it is not in session and if general purpose units of local government representing a majority of the residents of the area to be redesignated enact legislation or pass resolutions concurring in the redesignation.
(C) The redesignation would not cause, or contribute to, a concentration of any air pollutant which would exceed any maximum allowable increase permitted under the classification of any other area or any national ambient air quality standard.
(D) Any permit application for any major stationary source or major modification, subject to review under section 5(c) of this rule, that could receive a permit under this rule only if the area in question were redesignated as Class III, and any material submitted as part of that application, were available insofar as was practicable for public inspection prior

to any public hearing on redesignation of the area as Class III.
(4) Lands within the exterior boundaries of Indian reservations may be redesignated only by the appropriate Indian governing body. The appropriate Indian governing body may submit to U.S. EPA a proposal to redesignate areas Class I, Class II, or Class III provided the following:
(A) The Indian governing body has followed procedures equivalent to those required of the department under subdivisions (2), (3)(C), and (3)(D).
(B) Such redesignation is proposed after consultation with the state or states in which the Indian reservation is located and that border the Indian reservation.
(5) If U.S. EPA disapproves a proposed redesignation, the classification of the area shall be that which was in effect prior to the redesignation that was disapproved.
(6) If U.S. EPA disapproves any proposed redesignation, the department or Indian governing body, as appropriate, may resubmit the proposal after correcting the deficiencies noted by U.S. EPA.

***Copies of the Code of Federal Regulations (CFR) referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220.** *(Air Pollution Control Board; 326 IAC 2-2-13)*

SECTION 14. 326 IAC 2-2-14 IS ADDED TO READ AS FOLLOWS:

326 IAC 2-2-14 Sources impacting Federal Class I areas: additional requirements
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 14. (a) The department shall provide written notice of any permit application for a proposed major stationary source or major modification, the emissions from which may affect a Class I area, to the federal land manager and the federal official charged with direct responsibility for management of any lands within any such area. Such notification shall be given within thirty (30) days of receipt of a permit application and at least sixty (60) days prior to any public hearing on the application for a permit to construct and shall include the following:
(1) A copy of all information relevant to the permit application.
(2) An analysis of the proposed source's anticipated impacts on visibility in the federal Class I area.
The department shall also provide the federal land manager and such federal officials with a copy of the preliminary determination required under this section, and shall make available to them any materials used in making that determination, promptly after the department makes the determination. The department shall also notify all affected federal land managers within thirty (30) days of receipt of any advance notification of any such permit application.

(b) The federal land manager and the federal official charged with direct responsibility for management of the Class I area have an affirmative responsibility to protect the air quality related values, including visibility, of the Class I area and to consider, in consultation with U.S. EPA, whether a proposed source or modification will have an adverse impact on such values.

(c) The department shall consider any analysis performed by the federal land manager, provided to the department within thirty (30) days of the notification required by subsection (a), that shows that a proposed new major stationary source or major modification may have an adverse impact on visibility in any federal Class I area. Where the department finds that the analysis does not demonstrate to the satisfaction of the department that an adverse impact on visibility will result in the federal Class I area, the department must, in the notice of public hearing on the permit application, either explain the decision or give notice as to where the explanation may be obtained.

(d) The federal land manager of any Class I area may demonstrate to the department that the emissions from a proposed major stationary source or major modification would have an adverse impact on the air quality-related values, including visibility, of Class I area, notwithstanding that the change in air quality resulting from emissions from the major stationary source or major modification would not cause or contribute to concentrations that would exceed the maximum allowable increases for a Class I area. If the department concurs with the demonstration, then the department shall not issue the permit.

(e) The owner or operator of a proposed major stationary source or major modification may demonstrate to the federal

land manager that the emissions from the source or modification would have no adverse impact on the air quality related values of any Class I areas, including visibility, notwithstanding that the change in air quality resulting from emissions from the major stationary source or major modification would cause or contribute to concentrations that would exceed the maximum allowable increases for a Class I area. If the federal land manager concurs with the demonstration and the federal land manager so certifies, the department may issue the permit provided that the applicable requirements of this section are otherwise met, to issue the permit with emission limitations as may be necessary to assure that emissions of sulfur dioxide, particulate matter, and nitrogen oxides shall not exceed the following maximum allowable increases over minor source baseline concentration for such pollutants:

Maximum Allowable Increase	
Pollutant	**(Micrograms Per Cubic Meter)**
Particulate matter:	
PM-10, annual arithmetic mean	**17**
PM-10, 24-hr maximum	**30**
Sulfur dioxide:	
Annual arithmetic mean	**20**
24-hr maximum	**91**
3-hr maximum	**325**
Nitrogen dioxide:	
Annual arithmetic mean	**25**

(f) The owner or operator of a proposed major stationary source or major modification that cannot be approved under subsection (e) may demonstrate to the department that the source cannot be constructed by reason of any maximum allowable increase for sulfur dioxide for a period of twenty-four (24) hours or less applicable to any Class I area and, in the case of federal mandatory Class I areas, that an exemption under this clause would not adversely affect the air quality related values of the area, including visibility. The department, after consideration of the federal land manager's recommendation, if any, and subject to the federal land manager's concurrence, may, after notice and public hearing, grant an exemption from such maximum allowable increase. If such exemption is granted, the department shall issue a permit to such major stationary source or major modification pursuant to the requirements under subsection (h) provided that the applicable requirements of this section are otherwise met.

(g) In any case where the department recommends an exemption in which the federal land manager does not concur, the recommendations of the department and the federal land manager shall be transmitted to the president. The president may approve the department's recommendation if the president finds that the exemption is in the national interest. If the exemption is approved, the department shall issue a permit pursuant to the requirements under subsection (h) provided that the applicable requirements of this section are otherwise met.

(h) In the case of a permit issued pursuant to subsection (f) or (g), the major stationary source or major modification shall comply with such emission limitations as may be necessary to assure that emissions of sulfur dioxide from the major stationary source or major modification would not, during any day on which the otherwise applicable maximum allowable increases are exceeded, cause or contribute to concentrations that would exceed the following maximum allowable increases over the baseline concentration and to assure that such emissions would not cause or contribute to concentrations that exceed the otherwise applicable maximum allowable increases for periods of exposure of twenty-four (24) hours or less for more than eighteen (18) days, not necessarily consecutive, during any annual period:

Maximum Allowable Increase
(Micrograms Per Cubic Meter) of Sulfur Dioxide

	Terrain Areas	
Period of Exposure	**Low**	**High**
24 hour maximum	**36**	**62**
3 hour maximum	**130**	**221**

(Air Pollution Control Board; 326 IAC 2-2-14)

SECTION 15. 326 IAC 2-2-15 IS ADDED TO READ AS FOLLOWS:

326 IAC 2-2-15 Public participation
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 15. (a) An application submitted under this rule shall be processed in accordance with 326 IAC 2-1.1-8.

(b) In addition to the requirements under 326 IAC 2-1.1-6, the requirements in this subsection apply. When making a permit decision under this rule, the department shall do the following:
(1) Make a preliminary determination whether construction should be approved, approved with conditions, or disapproved.
(2) Include information concerning the degree of increment consumption that is expected from the source or modification with the public notice under 326 IAC 2-1.1-6(a)(2).
(3) Send a copy of the notice of public comment to the applicant, U.S. EPA and officials and agencies having knowledge of the location where the proposed construction would occur as follows:
(A) Any other state or local air pollution control agencies.
(B) Any comprehensive regional land use planning agency.
(C) Any state, federal land manager, or Indian governing body whose lands may be affected by emissions from the source or modification.
(4) Consider all written comments submitted within a time specified in the notice of public comment and all comments received at any public hearing or hearings in making a final decision on the approvability of the application. The department shall make all comments available for public inspection in the same locations where the department made available preconstruction information relating to the proposed source or modification.
(5) Make a final determination whether construction should be approved, approved with conditions, or disapproved.
(6) Make the notification of the final determination available for public inspection at the same location where the department made available preconstruction information and public comments relating to the source.
(Air Pollution Control Board; 326 IAC 2-2-15)

SECTION 16. 326 IAC 2-2-16 IS ADDED TO READ AS FOLLOWS:

326 IAC 2-2-16 Ambient air ceilings
Authority: IC 13-14-8; IC 13-17-3
Affected: IC 13-15; IC 13-17

Sec. 16. No concentration of a pollutant under this rule shall exceed the concentration permitted under the national:
(1) secondary ambient air quality standard as listed under 40 CFR 50.5 through 40 CFR 50.7 and 40 CFR 50.9 through 40 CFR 50.12*; or
(2) primary ambient air quality standard as listed under 40 CFR 50.4, 40 CFR 50.6 through 40 CFR 50.9, and 40 CFR 50.11 through 40 CFR 50.12*;
whichever concentration is lowest for the pollutant for a period of exposure.

***Copies of the Code of Federal Regulations (CFR) referenced in this section may be obtained from the Government Printing Office, Washington, D.C. 20402 and are available for copying at the Indiana Department of Environmental Management, Office of Air Management, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana 46204-2220.** *(Air Pollution Control Board; 326 IAC 2-2-16)*

Notice of Public Hearing

Under IC 4-22-2-24, IC 13-14-8-6, and IC 13-14-9, notice is hereby given that on December 6, 2000 at 1:00 p.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Rooms 1 and 2, Indianapolis, Indiana the Air Pollution Control Board will hold a public hearing on proposed amendments to 326 IAC 2-2.

The purpose of this hearing is to receive comments from the public prior to final adoption of these rules by the board. All interested persons are invited and will be given reasonable opportunity to express their views concerning the proposed amendments. Oral

statements will be heard, but for the accuracy of the record, all comments should be submitted in writing. Procedures to be followed at this hearing may be found in the April 1, 1996, Indiana Register, page 1710 (19 IR 1710).

Additional information regarding this action may be obtained from Suzanne Whitmer, Rule Development section, (317) 232-8229 or (800) 451-6027, press 0, and ask for extension 2-8229 (in Indiana). If the date of this hearing is changed, it will be noticed in the Change of Notice section of the Indiana Register.

Individuals requiring reasonable accommodations for participation in this event should contact the Indiana Department of Environmental Management, Americans with Disabilities Act coordinator at:

Attn: ADA Coordinator
Indiana Department of Environmental Management
100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015

or call (317) 233-1785. TDD: (317) 232-6565. Speech and hearing impaired callers may also contact the agency via the Indiana Relay Service at 1-800-743-3333. Please provide a minimum of 72 hours' notification.

Copies of these rules are now on file at the Indiana Government Center-North, 100 North Senate Avenue, Tenth Floor and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

Janet G. McCabe
Assistant Commissioner
Office of Air Management