

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

DYNEGY MIDWEST GENERATION, LLC.)	
(WOOD RIVER POWER STATION),)	
)	
Petitioner,)	
)	
v.)	PCB 13-_____
)	(Permit Appeal – Air)
ILLINOIS ENVIRONMENTAL)	
PROTECTION AGENCY,)	
)	
Respondent.)	

NOTICE OF FILING

To:

John Therriault, Assistant Clerk
Illinois Pollution Control Board
James R. Thompson Center
Suite 11-500
100 West Randolph
Chicago, Illinois 60601

Julie Armitage, Acting General Counsel
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue, East
P.O. Box 19276
Springfield, Illinois 62794-9276

PLEASE TAKE NOTICE that we have today filed with the Office of the Clerk of the Pollution Control Board **APPEAL OF CONSTRUCTION PERMIT FOR THE INSTALLATION OF A SORBENT INJECTION SYSTEM AT WOOD RIVER POWER STATION, UNIT 4** and the **APPEARANCES OF KATHLEEN C. BASSI and STEPHEN J. BONEBRAKE**, copies of which are herewith served upon you.



Kathleen C. Bassi

Dated: September 21, 2012

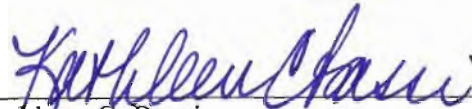
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APPEARANCE

I hereby file my appearance in this proceeding, on behalf of Dynegy Midwest Generation, LLC., (Wood River Power Station).



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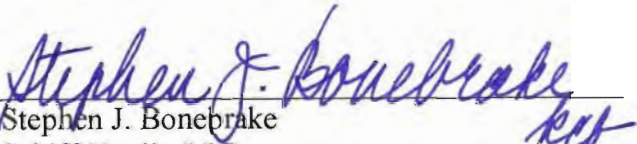
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Dated: September 21, 2012

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APPEAL OF CONSTRUCTION PERMIT FOR THE INSTALLATION OF A SORBENT INJECTION SYSTEM AT WOOD RIVER POWER STATION, UNIT 4

NOW COMES Petitioner, DYNEGY MIDWEST GENERATION, LLC (WOOD RIVER POWER STATION) (“Petitioner” or “DMG”), pursuant to Section 40(a)(1) of the Illinois Environmental Protection Act (“Act”) (415 ILCS 5/40(a)(1)) and 35 Ill.Adm.Code § 105.200 *et seq.*, and requests a hearing before the Board to contest the decisions contained in the construction permit¹ issued to Petitioner on August 24, 2012, pursuant to Section 39(a) of the Act (415 ILCS 5/39(a)) and 35 Ill.Adm.Code § 201.142 (“permit” or “construction permit”) and attached hereto as Exhibit 1. 35 Ill.Adm.Code §§ 105.210(a) and (b). Petitioner received the construction permit on or about August 24, 2012. Pursuant to Sections 39(a) and 40(a)(1) of the Act, 35 Ill.Adm.Code §§ 105.206(a) and 105.208(a), this Petition is timely filed with the Board.

In support of its Petition to appeal all or parts of Conditions 1(b)(ii), 2(b)(i), 2(b)(ii), 2(b)(iv), 2(c)(iii), 2(c)(vi), 4, 5(b), 5(c), 6(a), 6(b), and 6(c) of and the name of the Permittee on

¹ Application No. 12050055.

the construction permit issued August 24, 2012, for Unit 4 of the Wood River Power Station, Petitioner states as follows:

I. BACKGROUND
(35 Ill. Adm. Code § 105.304(a))

1. The Wood River Power Station (“Wood River”), Illinois Environmental Protection Agency (“Agency”) I.D. No. 119020AAE, is an electric generating station owned and operated by Dynegy Midwest Generation, LLC. The Wood River electrical generating units (“EGUs”) went online between roughly 1954 and 1964. The Wood River Power Station is located at # 1 Chessen Lane, Alton, Madison County, Illinois 62002. Madison County, as part of the Metro-East/St. Louis area, is a maintenance area for the 1997 National Ambient Air Quality Standard (“NAAQS”) for 8-hour ozone but is designated as a marginal nonattainment area for the 2008 ozone standard. The Metro-East/St. Louis area has attained the 1997 fine particulate matter standard (“PM”) NAAQS (an annual standard) but has not yet been officially redesignated. 77 FR 38183 (June 27, 2012). Madison County is attainment or unclassifiable for all other criteria pollutants. *Generally see* 40 CFR § 81.314. DMG employs approximately 88 people at Wood River.

2. DMG operates two coal-fired boilers at Wood River, but only one boiler, Unit 4, is the subject of this appealed construction permit. Unit 4, whose principal fuel is coal, fires natural gas as auxiliary fuel during startup and for flame stabilization but can fire natural gas for generation. Certain alternative fuels are permitted to be utilized in Unit 4 as well. Unit 4 operates an electrostatic precipitator (“ESP”) with flue gas conditioning, as needed, to control PM emissions and, to control nitrogen oxides (“NOx”), utilizes low NOx burners and over-fired air. Wood River operates associated coal handling, coal processing, and ash handling equipment and systems in conjunction with Unit 4.

3. Wood River is a major source subject to the Clean Air Act Permitting Program (“CAAPP”) (415 ILCS 5/39.5). The Agency issued a CAAPP permit to DMG for Wood River on September 29, 2005. Subsequently, on November 2, 2005, DMG timely appealed the CAAPP permit for Wood River at PCB 06-074. The Board accepted the appeal for hearing on November 17, 2005. On February 16, 2006, the Board found that the CAAPP permit is stayed. Order, *Dynegy Midwest Generation, Inc. (Wood River Power Station) v. Illinois Environmental Protection Agency*, PCB 06-074 (February 16, 2006), p. 2. Wood River is subject to the federal Acid Rain Program at Title IV of the Clean Air Act and has been issued a Phase II Acid Rain Permit.

4. DMG entered into a Consent Decree in the matter of the *United States of America, et al. v. Dynegy Midwest Generation, et al.*, Case No. 99-833-MJR in the United States District Court for the Southern District of Illinois (the “Consent Decree”). Applicable provisions in the Consent Decree must be reflected in permits issued to DMG. Among other things, the Consent Decree requires Unit 4 to meet a stringent PM emissions limit of 0.030 lb/mmBtu. DMG’s operation of the Wood River Power Station must comply with the provisions of the Consent Decree as well as with applicable law and regulations. However, the Consent Decree does not require the sorbent injection system that is the subject of this appealed construction permit and so is not a factor in this permit.

5. Relevant to this appeal, PM emissions from Unit 4 are currently controlled by an ESP with a flue gas conditioning system. The permit at issue here authorizes the construction and operation of a sorbent injection system to reduce emissions of mercury pursuant to the Multi-Pollutant Standard (“MPS”) of 35 Ill. Adm. Code § 225.233. DMG opted in to the MPS on November 26, 2007.

II. REQUEST FOR PARTIAL STAY OF THE PERMIT

6. Historically, the Board has granted partial stays in permit appeals where a petitioner has so requested. *See, e.g., Dynegy Midwest Generation, Inc. (Wood River Power Station) v. Illinois Environmental Protection Agency*, PCB 09-006 (August 21, 2008) (granted stay of the portions of the permit contested by DMG); *Dynegy Midwest Generation, Inc. (Baldwin Energy Complex) v. Illinois Environmental Protection Agency*, PCB 08-066 (May 15, 2008) (granted stay of the portions of the permit contested by DMG); *Dynegy Midwest Generation, Inc. (Havana Power Station) v. Illinois Environmental Protection Agency*, PCB 07-115 (October 4, 2007) (same); *Dynegy Midwest Generation, Inc. (Vermilion Power Station) v. Illinois Environmental Protection Agency*, PCB 06-194 (October 19, 2006) (granted stay “of the portions of the permit Dynegy contests”); *Midwest Generation, LLC, Will County Generating Station v. Illinois Environmental Protection Agency*, PCB 06-156 (July 20, 2006) (granted stay of the effectiveness of contested conditions of a construction permit); *Hartford Working Group v. Illinois Environmental Protection Agency*, PCB 05-74 (November 18, 2004) (granted stay of the effectiveness of Special Condition 2.0 of an air construction permit); *Community Landfill Company and City of Morris v. Illinois Environmental Protection Agency*, PCB 01-48 and 01-49 (Consolidated) (October 19, 2000) (granted stay of effectiveness of challenged conditions for two permits of two parcels of the landfill); *Allied Tube & Conduit Corp. v. Illinois Environmental Protection Agency*, PCB 96-108 (December 7, 1995) (granted stay of the effectiveness of Conditions 4(a), 5(a), and 7(a) of an air permit).

7. DMG will suffer irreparable harm and the environment will not receive the benefit of the pollution control facilitated by the sorbent injection system if DMG is not allowed to construct and operate the sorbent injection system for Unit 4 at the Wood River Power Station.

DMG's request for stay of the contested language would provide the necessary and appropriate authorizations to install and operate the sorbent injection system in a manner to protect the environment while allowing DMG to exercise its right to an appeal under Section 40(a) of the Act.

8. DMG requests in this instance that the Board exercise its inherent discretionary authority to grant a partial stay of the construction permit, staying only those conditions or portions of conditions indicated in Exhibit 2, *i.e.*, Conditions 1(b)(ii), 2(b)(i), 2(b)(ii), 2(b)(iv), 2(c)(iii), 2(c)(vi), 4(a), 4(a)Note, 4(b), 5(b), 5(c), 6(a), 6(b), and 6(c) and part of the name of the Permittee. In the alternative, if the Board believes that it must stay the entirety of an appealed condition rather than only the portions of the condition where so indicated in Exhibit 2, DMG requests that the Board stay the entirety of each of the conditions identified in Exhibit 2 except Condition 1(b)(ii) and part of the name of the Permittee.

III. ISSUES ON APPEAL
(35 Ill.Adm.Code §§ 105.210(c))

9. The conditions on appeal are as follows:

A. Conditions 2(b)(iv) and 2(c)(vi) – Sunset on authorization to operate the boiler.

10. A general problem with the permit is that the Agency is using this construction permit as the vehicle to implement the mercury requirements of 35 Ill.Adm.Code 225.Subpart B (“Subpart B”) contrary to the provisions of Subpart B. Subpart B provides that the rule will be implemented through CAAPP permits, not construction permits. *See* 35 Ill.Adm.Code § 225.210(a). The Agency has included requirements in the permit that reflect Subpart B generally without regard to the specific subject of the construction activity for which DMG submitted its application. Generally speaking, Condition 2 addresses operation of the boiler, not of the sorbent injection system. To the extent that the sorbent injection system affects operation of the boiler,

DMG does not disagree with the Agency that such conditions are appropriate. However, when the conditions address operation of the boiler in a fashion that exceeds the scope of the activity for which the permit was issued, DMG objects.

11. Conditions 2(b)(iv) and 2(c)(vi) prohibit DMG from operating the boiler past January 1, 2015, or once DMG complies with the general mercury emission limitations of Subpart B. DMG acknowledges that this is a requirement of Subpart B and of the MPS; however, this requirement is not relevant to DMG's request to install and operate a sorbent injection system. DMG has an independent obligation to comply with applicable regulations. Omission of this particular condition would not relieve DMG of its requirement to comply with the Subpart B mercury emission limitations by January 1, 2015. Likewise, inclusion of this condition does not obligate DMG to comply with the mercury limitations by January 1, 2015. Conditions 2(b)(iv) and 2(c)(vi) exceed the scope of DMG's request to construct and operate a sorbent injection system.

12. The conditions are meaningless and inappropriate and should be deleted from the permit. DMG requests that the Board stay Conditions 2(b)(iv) and 2(c)(vi), as set forth in Exhibit 2, during the pendency of this appeal.

B. Condition 4(a) and 4(a)Note – Instrumentation to Record the Rate of Sorbent Injection

13. Condition 4(a) requires that DMG install and operate instrumentation that will measure and record the rate of sorbent injection. The Note to Condition 4(a) clarifies the recordkeeping required during the first 36 months of operation of an ACI system under the MPS. Condition 4(a) exceeds the scope of the applicable regulation, 35 Ill. Adm. Code § 225.233(c)(5). The pertinent provisions of Section 225.233(c)(5) are as follows:

- A) For the first 36 months that injection of sorbent is required, it must maintain records of the usage of sorbent, the exhaust gas flow rate from the EGU, and the sorbent feed rate, in pounds per million actual cubic feet of exhaust gas at the injection point, on a weekly average;
- B) After the first 36 months that injection of sorbent is required, it must monitor activated sorbent feed rate to the EGU, flue gas temperature at the point of sorbent injection, and exhaust gas flow rate from the EGU, automatically recording this data and the sorbent carbon feed rate, in pounds per million actual cubic feet of exhaust gas at the injection point, on an hourly average.

35 Ill. Adm. Code § 225.233(c)(5)(A)-(B). (Emphasis added.) According to the regulation, DMG is not required to “install and operate instrumentation” that will measure and record the sorbent injection rate until three years after installation, or some time in 2015, by which time Wood River Unit 4 must comply with the emission limitation of Section 225.233(d)(1). Arguably, the requirement for automated monitoring equipment would never be triggered for the Wood River Unit 4 ACI project because the unit must comply with the emission standard of Section 225.233(d)(1) within 36 months.

14. Therefore, Condition 4(a) is arbitrary and unnecessary and exceeds the scope of the Agency’s authority and should be deleted or modified to reflect the requirements of the rule. DMG requests that the Board stay Condition 4(a) and delete “Note,” as set forth in Exhibit 2, during the pendency of this appeal. The clarification in the Note to Condition 4(a) would become the applicable condition during the pendency of the appeal if the Board grants the stay as requested.

C. Conditions 4(b) and 5(b) – Recordkeeping Required Before the Dates Set Forth in the Regulation and Recordkeeping of Mercury Data, Including Coal Analyses

15. Condition 4(b) says, “During periods when operational monitoring of a sorbent injection system is not required by 35 IAC Part 225, Subpart B (i.e., before such monitoring is required and after such monitoring is no longer required. . . .” Condition 5(b) says, “During the

period before the Permittee is required to keep records pursuant to 35 IAC Part 225, Subpart B. . . .” The Agency has authority to require of sources only what the Environmental Protection Act or the Board’s regulations grant it authority to require. These requirements exceed the scope of the Agency’s authority and are, therefore, illegal.

16. Moreover, the records that Condition 5(b) requires prior to the dates set forth in the applicable regulations include coal supply data. Condition 5(b)(i) requires records of otherwise existing mercury emissions data and does not impose an independent requirement to collect data, but Condition 5(b)(ii) requires the collection of data to characterize the mercury content of the coal supply. While the data collected pursuant to Condition 5(b)(ii) can be as little as a single sample from the current coal supplier, coal supply data is relevant only when DMG must comply with the mercury emission limitations, *i.e.*, beginning January 1, 2015, and then only if DMG chooses to comply by reducing mercury from input coal by 90%. *See* 35 Ill. Adm. Code § 225.233(d).

17. For these reasons, DMG appeals Conditions 4(b) and 5(b) and requests that the Board stay Conditions 4(b) and 5(b), as set forth in Exhibit 2, during the pendency of this appeal.

D. Conditions 6(a), 6(b)(i), 6(c), and 6(c)(ii)(B) – Deviation Reporting

18. Condition 6(a) requires that DMG report deviations from the requirements of the permit. Deviation reporting is a function of CAAPP permitting, not of Part 201, construction permitting. Although this construction permit will, indeed, serve as an operating permit for the sorbent injection system authorized by the permit until such time as the pertinent provisions are transferred to the CAAPP permit, this construction permit is not a CAAPP permit. It is not subject to any of the CAAPP requirements for permitting. Requiring deviation reporting exceeds

the scope of the Agency's authority. For this reason, DMG appeals Condition 6(a) and requests that the Board stay the condition, as set forth in Exhibit 2, during the pendency of this appeal.

19. In addition to other bases for appeal set forth below, DMG appeals Conditions 6(b)(i), 6(c), and 6(c)(ii)(B) to the extent they reference Condition 6(a) regarding deviation reporting and requests that the Board stay those portions of Conditions 6(b)(i), 6(c), and 6(c)(ii)(B) as set forth in Exhibit 2, during the pendency of this appeal.

E. Conditions 6(b) and 6(c) – Reporting When Boiler Continues Operation During Malfunction or Breakdown or Experiences Startup Conditions in Violation of 35 IAC 225.233(c)(2)

20. Conditions 6(b) and 6(c) require notification and reporting when DMG continues “operation of the affected boiler . . . during malfunction or breakdown with a violation of 35 IAC 225.233(c)(2). . . .” (Condition 6(b)) and for “incidents during . . . which affected boiler operated or continued to operate during startup or malfunction or breakdown with violations of 35 IAC 225.233(c)(2)” (Condition 6(c)). Section 225.233(c)(2) sets forth sorbent injection requirements for sources in the MPS. However, the timeframes provided in Conditions 6(b) and 6(c) do not correspond with the timeframes contained in Section 225.233(c)(5), which dictate the averaging periods applicable to the rate of sorbent injection. *See* paragraph 13 above. For example, Condition 6(b)(i) requires notification and reporting if the “violation exceeds or may exceed 24 hours.” Condition 6(b)(ii) refers to incidents that are 72 hours or more in duration. DMG does not know how to calculate these provisions in light of the weekly averaging provisions of Section 225.233(c)(5). These requirements are arbitrary and unreasonable and exceed the scope of the Agency's authority to include in a construction permit.

21. For these reasons, DMG appeals Conditions 6(b) and 6(c) and requests that the Board stay Conditions 6(b) and 6(c) as set forth in Exhibit 2, during the pendency of this appeal.

F. Conditions 2(b)(ii) and 2(c)(iii) – References to Appealed Condition 6(c)(i) and to Conditions 6(b) and 6(c)(ii), Respectively

22. Condition 2(b)(ii) references Condition 6(c)(i), which is appealed here. Likewise, Condition 2(c)(iii) references Conditions 6(b) and 6(c)(ii), both of which are appealed here. DMG appeals those cross-references, consistent with its appeals of Conditions 6(b), and 6(c). DMG requests that the Board stay Conditions 2(b)(ii) and 2(c)(iii), as set forth in Exhibit 2, during the pendency of this appeal; however, if the Board determines that it cannot stay only a portion of a condition, then DMG requests that the entirety of Conditions 2(b)(ii) or 2(c)(iii) be stayed.

G. Condition 1(b)(ii) – Typographical Error Creating a More Stringent Condition Than Provided in the Regulations

23. In Condition 1(b)(ii), the Agency apparently inadvertently omitted a 4 in the limitation applicable to the storage system, qualifying it as an insignificant activity. Insignificant activities are limited to emissions of no more than 0.44 tons per year; the permit says “0.4 tons,” a more stringent limitation than the regulation. *See* Sections 201.146(jjj) and 201.210(a)(3). DMG notes that drafts of the permit contained “0.44 tons.”

24. Because the typographical error causes the condition to be more stringent than the regulation, the condition is arbitrary and unreasonable as written. DMG requests that the Board stay the limitation, as set forth in Exhibit 2, during the pendency of this appeal. In order for the condition to make sense, if the Board grants the partial stay of this condition as requested, DMG lined out more of the condition than would be necessary when the typographical error is corrected. DMG will comply with the regulatory limitation of 0.44 tons per year during the appeal. If the Board determines that it cannot stay only a portion of this condition, DMG requests that the Board not stay the condition.

H. Condition 2(b)(i) – Requirement for a Written Plan for Startup of the Boiler

25. Condition 2(b)(i) requires DMG to conduct startup of the boiler, Unit 4, “in accordance with written procedures prepared by the Permittee that are specifically developed to minimize emissions during startups, including emissions of mercury.” This type of requirement is applicable to the boiler and operation of the boiler. DMG applied for a construction permit to install a mercury emission control system. DMG is undertaking no activities pursuant to this construction permit that affect the boiler and has not included any boiler-related activities in the application. While this type of condition may be appropriate for a CAAPP permit, it is not appropriate for a construction permit for an ACI system. This requirement exceeds the scope of the Agency’s authority to require in a construction permit for a sorbent injection system.

26. For these reasons, DMG requests that the Board order the Agency to delete this requirement and further requests that the Board stay Condition 2(b)(i), as set forth in Exhibit 2, during the pendency of this appeal.

I. Condition 5(c) – Requirement to Produce Electronic Records in Print Format During the Course of an Inspection

27. Condition 5(c) requires DMG to produce, in print format, any electronic records that the Agency may request during the course of an inspection. The electronic records associated with the ACI system could be voluminous. DMG believes that the permit should allow it a reasonable time to provide the Agency with such records and that they not be required, at least without advance notice, during an inspection. As written, the condition is arbitrary and unreasonable.

28. For these reasons, DMG requests that the Board order the Agency to delete portions of Condition 5(c) as set forth in Exhibit 2 to this Petition or to amend the condition consistent with more reasonable timeframes for producing in print format electronic records.

Additionally, DMG requests that the Board stay Condition 5(c), as set forth in Exhibit 2, during the pendency of this appeal.

J. First Page – Name of Permittee

29. In 2011, DMG restructured and changed its name from “Dynergy Midwest Generation, Inc.” to “Dynergy Midwest Generation, LLC” (emphasis added). DMG submitted the proper forms to the Agency to effectuate this change on all of its permits and applications and included the proper name on the application for the construction permit appealed here. DMG believes the Agency’s identification of the Permittee as “Dynergy Midwest Generation, Inc.” is a typographical error. Nevertheless, the difference in names has legal significance and must be corrected. Therefore, DMG appeals the Agency’s identification of the Permittee here in order to effectuate that correction.

30. Because of the legal significance of the name of the Permittee, DMG requests that the Board order the Agency to correct the typographical error in the Permittee’s name and that it stay “Inc.,” as set forth in Exhibit 2, during the pendency of this appeal. However, because it is imperative that the Permittee be named on a permit, if the Board finds that it cannot partially stay the name of the Permittee during this appeal but rather must stay the entire name, DMG requests that it not stay the name of the Permittee.


WHEREFORE, for the reasons set forth above, DMG appeals Conditions 1(b)(ii), 2(b)(i), 2(b)(ii), 2(b)(iv), 2(c)(iii), 2(c)(vi), 4, 5(b), 5(c), 6(a), 6(b), and 6(c) of and the name of the Permittee on the construction permit issued August 24, 2012, for the Wood River Power Station. Additionally, DMG requests that the Board stay all or the portions of the conditions appealed above, as set forth in Exhibit 2. In the event the Board believes it cannot stay part of a condition,

DMG requests that the Board stay all the conditions appealed above except for Condition l(b)(ii) and the name of the Permittee. DMG will extend its current practices of recordkeeping and reporting to the new sorbent injection system, as appropriate, and will, of course, comply with all requirements of the Board's regulations applicable to the new sorbent injection system during the pendency of this appeal. Operation of the sorbent injection system will benefit air quality by reducing the amount of mercury emitted to the environment.

Respectfully submitted,

DYNEGY MIDWEST GENERATION, LLC.
(WOOD RIVER POWER STATION)

by:



One of Its Attorneys

Dated: September 21, 2012

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EXHIBIT LIST

- Exhibit 1 Construction permit issued to Dynegy Midwest Generation, Inc. August 24, 2012

- Exhibit 2 Redlined construction permit reflecting the conditions or portions of conditions
 appealed and the portions of the permit that DMG requests that the Board stay

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506-(217) 782-2113

PAT QUINN, GOVERNOR

JOHN J. KIM, INTERIM DIRECTOR

217/785-1705

CONSTRUCTION PERMIT

PERMITTEE

Dynegy Midwest Generation, Inc.
Attn: Rick Diericx
Sr. Director, Environmental Compliance
604 Pierce Boulevard
O'Fallon, Illinois 62269

Application No.: 12050055

I.D. No.: 119020AAE

Applicant's Designation:

Date Received: May 29, 2012

Subject: Sorbent Injection System for Unit 4 Boiler

Date Issued: August 24, 2012

Location: Wood River Generating Station, #1 Chessen Lane, Alton

Permit is hereby granted to the above-designated Permittee to CONSTRUCT equipment consisting of a sorbent injection system to control mercury emissions for the Unit 4 boiler, as described in the above referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This Permit authorizes construction of a sorbent injection system (the affected system) for the existing coal-fired boiler for Unit 4 (the affected boiler). The new sorbent injection system would be used for control of mercury emissions from the affected boiler to comply with 35 IAC Part 225, Subpart B.
- b.
 - i. This permit is issued based on this project being an emissions control project, whose purpose and effect will be to reduce emissions of mercury from the affected boiler and which will not significantly increase emissions of other PSD pollutants. As such, the terms and conditions of existing permits for the affected boiler, as those permits addresses emissions of pollutants other than mercury, will continue to apply to the operation of the affected boiler and Unit 4 and are unaffected by this permit.
 - ii. This permit is issued based on the storage and handling of sorbent for the affected system qualifying as insignificant activity, with annual emissions of PM in the absence of control equipment that would be no more than 0.4 tons, so that this activity need not be addressed by this permit.
- c. Other than the use of the sorbent injection system on the affected boiler, this permit does not authorize any modifications to the affected boiler or the generating unit, which would increase its capacity or potential emissions.



Page 2

- 2a. For the affected boiler, beginning on the applicable dates specified by 35 IAC Part 225, Subpart B, the Permittee shall comply with applicable requirements in this rule for control of mercury emissions and associated requirements in this rule for sampling, monitoring, recordkeeping, and reporting.
- b. Subject to the following provisions, if the affected boiler is complying with 35 IAC Part 225, Subpart B, by means of 35 IAC 225.233(c), the Control Technology Requirements for Control of Emissions of Mercury under the Multi-Pollutant Standards, the Permittee is authorized to operate the boiler during startup in violation of the applicable requirements of 35 IAC 225.233(c)(2). This authorization is provided pursuant to 35 IAC 201.149, 201.261 and 201.262, as the Permittee has applied for such authorization, generally describing various measures that would be taken to minimize emissions during startups, and injection of activated carbon during startup, before the boiler has achieved stable operation, could pose a safety risk for personnel and equipment.
- i. The Permittee shall conduct startup of the affected boiler in accordance with written procedures prepared by the Permittee that are specifically developed to minimize emissions during startups, including emissions of mercury. A copy of these procedures shall be kept in the control room for the affected boiler.
- ii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Conditions 5(a)(i) and 6(c)(i).
- iii. This authorization does not relieve the Permittee from the continuing obligation to minimize emissions of mercury during startup. As provided by 35 IAC 201.265, an authorization in a permit for operation with a violation during startup does not shield the Permittee from enforcement for any such violation and only constitutes a prima facie defense to such an enforcement action provided that the Permittee has fully complied with all terms and conditions connected with such authorization.
- iv. This authorization will end on January 1, 2015, or such earlier date that the Permittee begins complying with 35 IAC Part 225, Subpart B, by a means other than 35 IAC 225.233(c), e.g., compliance by means of the Emission Standards for Mercury under the Multi-Pollutant Standards, 35 IAC 225.233(d).
- c. Subject to the following provisions, if the affected boiler is complying with 35 IAC Part 225, Subpart B by means of 35 IAC 225.233(c), the Permittee is authorized to continue operation of the boiler in violation of the applicable requirements of 35 IAC 225.233(c)(2) in the event of a malfunction or breakdown of the sorbent injection system for the boiler or the associated sorbent storage and handling system. This authorization is provided pursuant to 35 IAC 201.149, 201.261 and 201.262, as the Permittee has applied for such authorization, generally explaining why such continued operation would

Page 3

be required to provide essential service and describing the measures that would be taken to minimize emissions from any malfunctions and breakdowns.

- i. This authorization only allows such continued operation of the affected boiler as necessary to provide essential service and does not extend to continued operation solely for the economic benefit of the Permittee.
 - ii. Upon occurrence of a violation of 35 IAC 225.233(c)(2) due to malfunction or breakdown, the Permittee shall as soon as practicable repair the sorbent injection system, take actions to reduce the magnitude of the violation, or undertake other actions so that the violation ceases.
 - iii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Conditions 5(a)(i) and 6(b) and (c)(ii). For these purposes, time shall be measured from the start of a particular incident. The absence of a violation for a short period shall not be considered to end an incident if violations resume. In such circumstances, the incident shall be considered to continue until corrective actions are taken so that violations cease or the Permittee takes the affected boiler out of service.
 - iv. Following notification to the Illinois EPA for a malfunction or breakdown of the affected system, the Permittee shall comply with all reasonable directives of the Illinois EPA with respect to such incident, pursuant to 35 IAC 201.263.
 - v. This authorization does not relieve the Permittee from the continuing obligation to minimize emissions during malfunction or breakdown. As provided by 35 IAC 201.265, an authorization in a permit for continued operation with a violation during malfunction or breakdown does not shield the Permittee from enforcement for any such violation and only constitutes a prima facie defense to such an enforcement action provided that the Permittee has fully complied with all terms and conditions connected with such authorization.
 - vi. This authorization will end on January 1, 2015, or such earlier date that the Permittee begins complying with 35 IAC 225 Subpart B by a means other than 35 IAC 225.233(c), e.g., compliance by means of the Emission Standards for Mercury under the Multi-Pollutant Standards, 35 IAC 225.233(d).
- d. For storage and handling of sorbent, the Permittee shall comply with applicable standards in 35 IAC Part 212 for opacity and particulate matter emissions that apply to each emission unit.
3. At all times, the Permittee shall, to the extent practicable, maintain and operate the affected system including the equipment for storage and

Page 4

handling of sorbent, in a manner consistent with good air pollution control practice for minimizing emissions from the affected boiler and the source.

- 4a. The Permittee shall install, operate and maintain the monitoring devices for the affected system as required by 35 IAC Part 225, Subpart B. In particular, for a unit complying by means of 35 IAC 225.233(c), beginning 36 months after injection of sorbent is first required by 35 IAC 225.233(c), monitoring must be conducted for sorbent feed rate to the EGU and gas flow rate in the stack with automatic recording of this data and the sorbent carbon feed rate, in pounds per million actual cubic feet of flue gas, on an hourly average, pursuant to 35 IAC 225.233(c) (5) (B).

Note: For the first 36 months that injection of sorbent is required by 35 IAC 225.233(c), records must be maintained for the usage of sorbent, the flue gas flow rate from the EGU, and the sorbent feed rate, in pounds per million actual cubic feet of flue gas, on a weekly average, pursuant to 35 IAC 225.233(c) (5) (A).

- b. During periods when operational monitoring of a sorbent injection system is not required by 35 IAC Part 225, Subpart B (i.e., before such monitoring is required and after such monitoring is no longer required because a unit is subject to an emission standard for mercury), the Permittee shall at a minimum operate and maintain instrumentation for sorbent feed rate or the operational status of the system, e.g., injecting sorbent at a normal rate, injecting sorbent at a less than normal rate, or off.
- 5a. The Permittee shall maintain the following records for the affected system on the affected boiler:
- i. Records for the system that, at a minimum, identify the sorbent that is being used and each period of time when the affected boiler was in operation when the system was not being operated or was not operating to meet applicable or established work practices, the nature of the incident, e.g., startup or malfunction/breakdown of the affected boiler, malfunction or breakdown of the system or the associated sorbent supply system or alternative mode of operation pursuant to an approved system evaluation program, and detailed description or explanation for the incident.
- ii. Maintenance and repair records for the affected system that, at a minimum, list the activities performed, with date and description.
- b. During the period before the Permittee is required to keep records pursuant to 35 IAC Part 225, Subpart B, the Permittee shall maintain records of the following:

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- i. Records of any emission data for mercury collected for the affected boiler by the Permittee, including but not limited to emission rate (micrograms per cubic meter, pounds per hour, or pounds per million Btu) and mercury control efficiency, with identification and description of the mode of operation of the boiler and sorbent injection system.
 - ii. Records for the mercury and heat content of the current coal supply to the affected boiler, with supporting data for the associated sampling and analysis methodology, so as to have data to characterize the mercury content of the coal supply.
 - c. All records required by this permit shall be retained at a readily accessible location at the source for at least five years from the date of entry and shall be made available for inspection and copying by the Illinois EPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA request for records during the course of a source inspection.
- 6a. The Permittee shall notify the Illinois EPA of deviations from the requirements of this permit as follows unless otherwise specified in the current permits issued to the source. These notifications shall include a description of the deviation and the probable causes, a copy of relevant records, a description of the corrective actions taken, and a description of the preventative measures taken to avoid similar future occurrences.
- i. When 35 IAC Part 225, Subpart B, becomes applicable, notifications for deviations shall be submitted with the periodic reports required by Subpart B.
 - ii. Before 35 IAC Part 225, Subpart B, becomes applicable, notifications for deviations from the requirements of this permit shall be submitted with the periodic monitoring reports required for the affected boilers.
- b. Pursuant to 35 IAC 201.263, the Permittee shall provide the following notifications and reports to the Illinois EPA for incidents when operation of the affected boiler continued during malfunction or breakdown with a violation of 35 IAC 225.233(c)(2), as addressed by Condition 2(c).
- i. The Permittee shall immediately notify the Illinois EPA's Regional Office, by telephone (voice, facsimile or electronic) if the duration of a violation exceeds or may exceed 24 hours. (Otherwise, if the duration of the violation is no more than 24 hours, the Permittee need only report the incident in accordance with Condition 6(a).)

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- ii. Upon conclusion of any incident that is 72 hours or more in duration, the Permittee shall submit a written follow-up report to the Illinois EPA, Compliance Section and Regional Office, within 15 days providing a detailed description of the incident and its cause(s), an explanation why continued operation was necessary, the length of time during which operation continued under such conditions, the measures taken by the Permittee to minimize and correct deficiencies with chronology, and when the repairs were completed or the affected boiler was taken out of service.

- c. The Permittee shall submit periodic reports to the Illinois EPA that include the following information for incidents during the quarter in which affected boiler operated or continued to operate during startup or malfunction or breakdown with violations of 35 IAC 225.233(c)(2). These reports shall be submitted with the periodic reports submitted for the affected boiler pursuant to Condition 6(a).
 - i. For startups:
 - A. A listing of startups, in chronological order, including date and description, and the length of time that coal was fired before injection of sorbent was initiated.
 - B. The aggregate duration of operation without injection of sorbent during startups during the reporting period (hours).
 - C. If there have been no startups of the boiler without injection of sorbent during the reporting period, this shall be stated in the report.

 - ii. For malfunctions or breakdowns:
 - A. A listing of malfunctions and breakdowns, in chronological order, that includes: (1) the date, time, and duration of each incident, (2) the identity of the affected boiler involved in the incident, and (3) whether a follow-up notice was submitted for the incident pursuant to Condition 6(b)(ii), with the date of the notice.
 - B. The detailed information for each such incident required pursuant to Condition 6(a) (as each incident constitutes a deviation) and Condition 6(b)(ii). For this purpose, the Permittee need not resubmit information provided in a prior report for an incident, as identified above, but may elect to supplement the prior submittal.
 - C. The aggregate duration of all incidents during the reporting period (hours).
 - D. If there have been no such incidents during the reporting period, this shall be stated in the report.

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- d. The Permittee shall notify the Illinois EPA when the affected system initially starts operation.
7. The Illinois EPA has determined that this project, as described in the application, will not constitute a modification of the affected boiler under the federal New Source Performance Standards, 40 CFR Part 60, as the project has the primary function of reducing emissions and is not considered a modification pursuant to 40 CFR 60.14(e)(5).
8. Two copies of required reports and notifications shall be sent to the Illinois EPA's Compliance Section at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
2009 Mall Street
Collinsville, Illinois 62234

Telephone: 618-346-5120 Facsimile: 618-346-5155

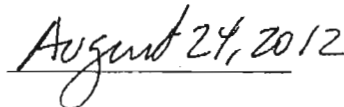
9. The Permittee may operate the affected boiler with the new sorbent injection system and the associated sorbent storage and handling equipment for this system pursuant to this construction permit until an operating permit for the source is issued that addresses operation of the boiler with the affected system. This condition supersedes Standard Condition 6.

If you have any questions on this permit, please call Kunj Patel at 217/785-1705.



Edwin C. Bakowski, P.E.
Manager, Permit Section
Division of Air Pollution Control

Date Signed:



ECB:CPR:KMP:

cc: Region 3



STANDARD CONDITIONS FOR CONSTRUCTION/DEVELOPMENT PERMITS
ISSUED BY THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

July 1, 1985

The Illinois Environmental Protection Act (Illinois Revised Statutes, Chapter 111-1/2, Section 1039) authorizes the Environmental Protection Agency to impose conditions on permits which it issues.

The following conditions are applicable unless superseded by special condition(s).

1. Unless this permit has been extended or it has been voided by a newly issued permit, this permit will expire one year from the date of issuance, unless a continuous program of construction or development on this project has started by such time.
2. The construction or development covered by this permit shall be done in compliance with applicable provisions of the Illinois Environmental Protection Act and Regulations adopted by the Illinois Pollution Control Board.
3. There shall be no deviations from the approved plans and specifications unless a written request for modification, along with plans and specifications as required, shall have been submitted to the Agency and a supplemental written permit issued.
4. The permittee shall allow any duly authorized agent of the Agency upon the presentation of credentials, at reasonable times:
 - a. to enter the permittee's property where actual or potential effluent, emission or noise sources are located or where any activity is to be conducted pursuant to this permit,
 - b. to have access to and to copy any records required to be kept under the terms and conditions of this permit,
 - c. to inspect, including during any hours of operation of equipment constructed or operated under this permit, such equipment and any equipment required to be kept, used, operated, calibrated and maintained under this permit,
 - d. to obtain and remove samples of any discharge or emissions of pollutants, and
 - e. to enter and utilize any photographic, recording, testing, monitoring or other equipment for the purpose of preserving, testing, monitoring, or recording any activity, discharge, or emission authorized by this permit.

The issuance of this permit:

- a. shall not be considered as in any manner affecting the title of the premises upon which the permitted facilities are to be located,
- b. does not release the permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the proposed facilities,
- c. does not release the permittee from compliance with other applicable statutes and regulations of the United States, of the State of Illinois, or with applicable local laws, ordinances and regulations,
- d. does not take into consideration or attest to the structural stability of any units or parts of the project, and

***** PCB 2013-013 *****
DIRECTOR
ENVIRONMENTAL PROTECTION AGENCY
BUREAU OF AIR

or assistance in preparing a permit application contact the Permit Section.

Illinois Environmental Protection Agency
Division of Air Pollution Control
Permit Section
1021 N. Grand Ave E.
P.O. Box 19506
Springfield, Illinois 62794-9506

or a regional office of the Field Operations Section. The regional offices and their areas of responsibility are shown on the map. The addresses and telephone numbers of the regional offices are as follows:

Illinois EPA
Region 1
Bureau of air, FOS
9511 West Harrison
Des Plaines, Illinois 60016
847/294-4000

Illinois EPA
Region 2
5415 North University
Peoria, Illinois 61614
309/693-5463

Illinois EPA
Region 3
2009 Mall Street
Collinsville, Illinois 62234
618/346-5120

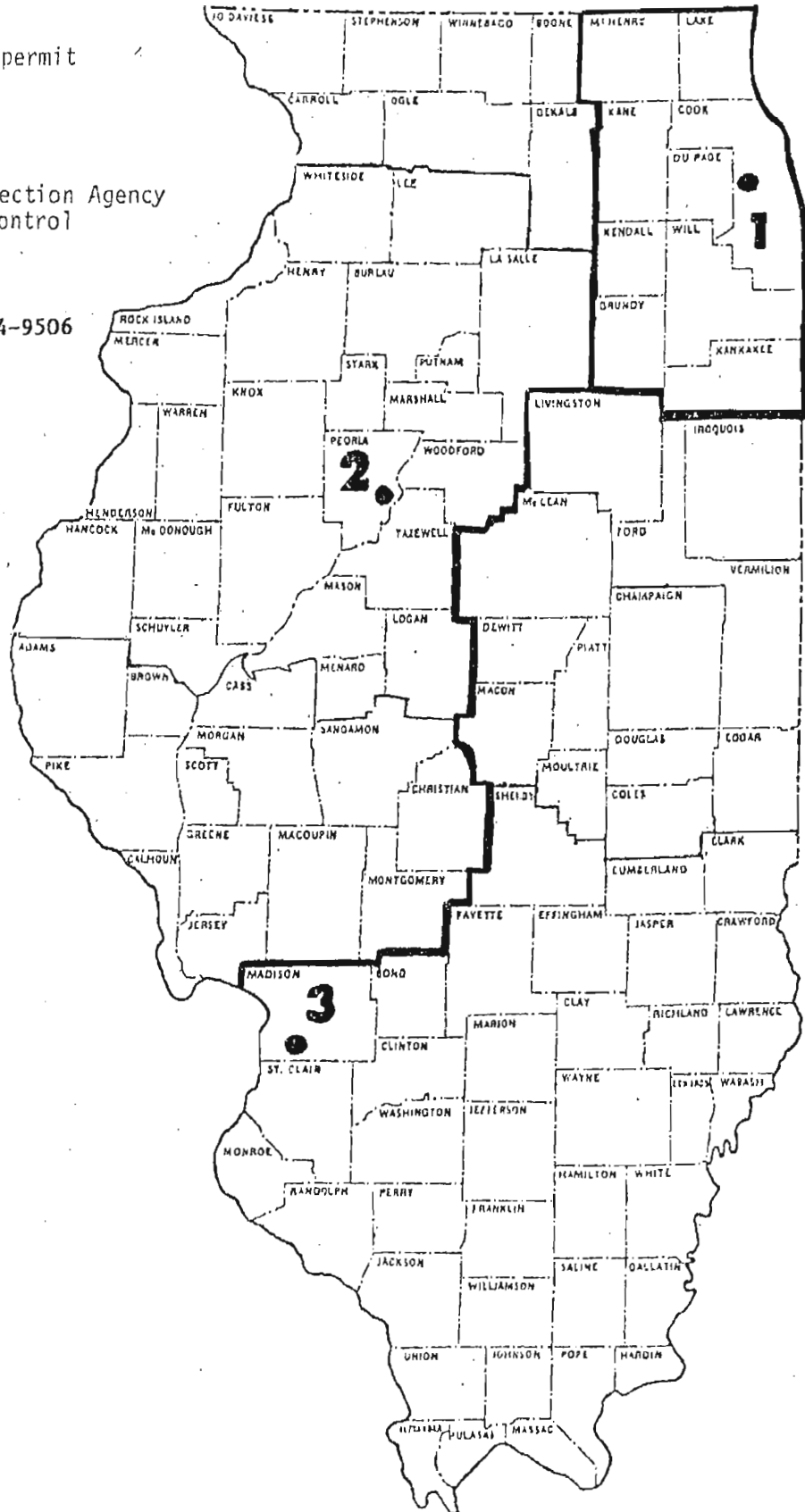


EXHIBIT 2

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 (217)782-2113

PAT QUINN, GOVERNOR

JOHN J. KIM, INTERIM DIRECTOR

217/785-1705

CONSTRUCTION PERMIT

PERMITEE

Dynegy Midwest Generation, ~~Ine.~~
Attn: Rick Diericx
Sr. Director, Environmental Compliance
604 Pierce Boulevard
O'Fallon, Illinois 62269

Application No.: 12050055

I.D. No.: 119020AAE

Applicant's Designation:

Date Received: May 29, 2012

Subject: Sorbent Injection System for Unit 4 Boiler

Date Issued: August 24, 2012

Location: Wood River Generating Station, #1 Chessen Lane, Alton

Permit is hereby granted to the above-designated Permittee to CONSTRUCT equipment consisting of a sorbent injection system to control mercury emissions for the Unit 4 boiler, as described in the above referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This Permit authorizes construction of a sorbent injection system (the affected system) for the existing coal-fired boiler for Unit 4 (the affected boiler). The new sorbent injection system would be used for control of mercury emissions from the affected boiler to comply with 35 IAC Part 225, Subpart B.
- b.
 - i. This permit is issued based on this project being an emissions control project, whose purpose and effect will be to reduce emissions of mercury from the affected boiler and which will not significantly increase emissions of other PSD pollutants. As such, the terms and conditions of existing permits for the affected boiler, as those permits address emissions of pollutants other than mercury, will continue to apply to the operation of the affected boiler and Unit 4 and are unaffected by this permit.
 - ii. This permit is issued based on the storage and handling of sorbent for the affected system qualifying as insignificant activity, ~~with annual emissions of PM in the absence of control equipment that would be no more than 0.4 tons~~, so that this activity need not be addressed by this permit.
- c. Other than the use of the sorbent injection system on the affected boiler, this permit does not authorize any modifications to the affected boiler or the generating unit, which would increase its capacity or potential emissions.

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- 2a. For the affected boiler, beginning on the applicable dates specified by 35 IAC Part 225, Subpart B, the Permittee shall comply with applicable requirements in this rule for control of mercury emissions and associated requirements in this rule for sampling, monitoring, recordkeeping, and reporting.
- b. Subject to the following provisions, if the affected boiler is complying with 35 IAC Part 225, Subpart B, by means of 35 IAC 225.233(c), the Control Technology Requirements for Control of Emissions of Mercury under the Multi-Pollutant Standards, the Permittee is authorized to operate the boiler during startup in violation of the applicable requirements of 35 IAC 225.233(c)(2). This authorization is provided pursuant to 35 IAC 201.149, 201.261 and 201.262, as the Permittee has applied for such authorization, generally describing various measures that would be taken to minimize emissions during startups, and injection of activated carbon during startup, before the boiler has achieved stable operation, could pose a safety risk for personnel and equipment.
- i. ~~The Permittee shall conduct startup of the affected boiler in accordance with written procedures prepared by the Permittee that are specifically developed to minimize emissions during startups, including emissions of mercury. A copy of these procedures shall be kept in the control room for the affected boiler.~~
- ii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Conditions 5(a)(i) ~~and 6(e)(i)~~.
- iii. This authorization does not relieve the Permittee from the continuing obligation to minimize emissions of mercury during startup. As provided by 35 IAC 201.265, an authorization in a permit for operation with a violation during startup does not shield the Permittee from enforcement for any such violation and only constitutes a prima facie defense to such an enforcement action provided that the Permittee has fully complied with all terms and conditions connected with such authorization.
- iv. ~~This authorization will end on January 1, 2015, or such earlier date that the Permittee begins complying with 35 IAC Part 225, Subpart B, by a means other than 35 IAC 225.233(e), e.g., compliance by means of the Emission Standards for Mercury under the Multi-Pollutant Standards, 35 IAC 225.233(d).~~
- c. Subject to the following provisions, if the affected boiler is complying with 35 IAC Part 225, Subpart B by means of 35 IAC 225.233(c), the Permittee is authorized to continue operation of the boiler in

Page 3

violation of the applicable requirements of 35 IAC 225.233(c)(2) in the event of a malfunction or breakdown of the sorbent injection system for the boiler or the associated sorbent storage and handling system. This authorization is provided pursuant to 35 IAC 201.149, 201.261 and 201.262, as the Permittee has applied for such authorization, generally explaining why such continued operation would be required to provide essential service and describing the measures that would be taken to minimize emissions from any malfunctions and breakdowns.

- i. This authorization only allows such continued operation of the affected boiler as necessary to provide essential service and does not extend to continued operation solely for the economic benefit of the Permittee.
- ii. Upon occurrence of a violation of 35 IAC 225.233(c)(2) due to malfunction or breakdown, the Permittee shall as soon as practicable repair the sorbent injection system, take actions to reduce the magnitude of the violation, or undertake other actions so that the violation ceases.
- iii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Conditions 5(a)(i) ~~and 6(b) and (e)(iii)~~. For these purposes, time shall be measured from the start of a particular incident. The absence of a violation for a short period shall not be considered to end an incident if violations resume. In such circumstances, the incident shall be considered to continue until corrective actions are taken so that violations cease or the Permittee takes the affected boiler out of service.
- iv. Following notification to the Illinois EPA for a malfunction or breakdown of the affected system, the Permittee shall comply with all reasonable directives of the Illinois EPA with respect to such incident, pursuant to 35 IAC 201.263.
- v. This authorization does not relieve the Permittee from the continuing obligation to minimize emissions during malfunction or breakdown. As provided by 35 IAC 201.265, an authorization in a permit for continued operation with a violation during malfunction or breakdown does not shield the Permittee from enforcement for any such violation and only constitutes a prima facie defense to such an enforcement action provided that the Permittee has fully complied with all terms and conditions connected with such authorization.
- vi. ~~This authorization will end on January 1, 2015, or such earlier date that the Permittee begins complying with 35 IAC 225-Subpart B by a means other than 35 IAC 225.233(e), e.g., compliance by means of the Emission Standards for Mercury under the Multi-Pollutant Standards, 35 IAC 225.233(d).~~

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- d. For storage and handling of sorbent, the Permittee shall comply with applicable standards in 35 IAC Part 212 for opacity and particulate matter emissions that apply to each emission unit.
3. At all times, the Permittee shall, to the extent practicable, maintain and operate the affected system including the equipment for storage and handling of sorbent, in a manner consistent with good air pollution control practice for minimizing emissions from the affected boiler and the source.

- 4a. ~~The Permittee shall install, operate and maintain the monitoring devices for the affected system as required by 35 IAC Part 225, Subpart B. In particular, for a unit complying by means of 35 IAC 225.233(e), beginning 36 months after injection of sorbent is first required by 35 IAC 225.233(e), monitoring must be conducted for sorbent feed rate to the EGU and gas flow rate in the stack with automatic recording of this data and the sorbent carbon feed rate, in pounds per million actual cubic feet of flue gas, on an hourly average, pursuant to 35 IAC 225.233(e) (5) (B).~~

~~Note:~~ For the first 36 months that injection of sorbent is required by 35 IAC 225.233(c), records must be maintained for the usage of sorbent, the flue gas flow rate from the EGU, and the sorbent feed rate, in pounds per million actual cubic feet of flue gas, on a weekly average, pursuant to 35 IAC 225.233(c) (5) (A).

- b. ~~During periods when operational monitoring of a sorbent injection system is not required by 35 IAC Part 225, Subpart B (i.e., before such monitoring is required and after such monitoring is no longer required because a unit is subject to an emission standard for mercury), the Permittee shall at a minimum operate and maintain instrumentation for sorbent feed rate or the operational status of the system, e.g., injecting sorbent at a normal rate, injecting sorbent at a less than normal rate, or off.~~

- 5a. The Permittee shall maintain the following records for the affected system on the affected boiler:
 - i. Records for the system that, at a minimum, identify the sorbent that is being used and each period of time when the affected boiler was in operation when the system was not being operated or was not operating to meet applicable or established work practices, the nature of the incident, e.g., startup or malfunction/breakdown of the affected boiler, malfunction or breakdown of the system or the associated sorbent supply system or alternative mode of operation pursuant to an approved system evaluation program, and detailed description or explanation for the incident.

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- ii. Maintenance and repair records for the affected system that, at a minimum, list the activities performed, with date and description.
- b. ~~During the period before the Permittee is required to keep records pursuant to 35 IAC Part 225, Subpart B, the Permittee shall maintain records of the following:~~
 - i. ~~Records of any emission data for mercury collected for the affected boiler by the Permittee, including but not limited to emission rate (micrograms per cubic meter, pounds per hour, or pounds per million Btu) and mercury control efficiency, with identification and description of the mode of operation of the boiler and sorbent injection system.~~
 - ii. ~~Records for the mercury and heat content of the current coal supply to the affected boiler, with supporting data for the associated sampling and analysis methodology, so as to have data to characterize the mercury content of the coal supply.~~
- c. All records required by this permit shall be retained at a readily accessible location at the source for at least five years from the date of entry and shall be made available for inspection and copying by the Illinois EPA upon request. ~~Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA request for records during the course of a source inspection.~~
- 6a. ~~The Permittee shall notify the Illinois EPA of deviations from the requirements of this permit as follows unless otherwise specified in the current permits issued to the source. These notifications shall include a description of the deviation and the probable causes, a copy of relevant records, a description of the corrective actions taken, and a description of the preventative measures taken to avoid similar future occurrences.~~
 - i. ~~When 35 IAC Part 225, Subpart B, becomes applicable, notifications for deviations shall be submitted with the periodic reports required by Subpart B.~~
 - ii. ~~Before 35 IAC Part 225, Subpart B, becomes applicable, notifications for deviations from the requirements of this permit shall be submitted with the periodic monitoring reports required for the affected boilers.~~
- b. ~~Pursuant to 35 IAC 201.263, the Permittee shall provide the following notifications and reports to the Illinois EPA for incidents when operation of the affected boiler continued during malfunction or~~

~~breakdown with a violation of 35 IAC 225.233(e)(2), as addressed by Condition 2(e).~~

- ~~i. The Permittee shall immediately notify the Illinois EPA's Regional Office, by telephone (voice, facsimile or electronic) if the duration of a violation exceeds or may exceed 24 hours. (Otherwise, if the duration of the violation is no more than 24 hours, the Permittee need only report the incident in accordance with Condition 6(a).)~~
 - ~~ii. Upon conclusion of any incident that is 72 hours or more in duration, the Permittee shall submit a written follow-up report to the Illinois EPA, Compliance Section and Regional Office, within 15 days providing a detailed description of the incident and its cause(s), an explanation why continued operation was necessary, the length of time during which operation continued under such conditions, the measures taken by the Permittee to minimize and correct deficiencies with chronology, and when the repairs were completed or the affected boiler was taken out of service.~~
- ~~c. The Permittee shall submit periodic reports to the Illinois EPA that include the following information for incidents during the quarter in which affected boiler operated or continued to operate during startup or malfunction or breakdown with violations of 35 IAC 225.233(e)(2). These reports shall be submitted with the periodic reports submitted for the affected boiler pursuant to Condition 6(a).~~
- ~~i. For startups:~~
 - ~~A. A listing of startups, in chronological order, including date and description, and the length of time that coal was fired before injection of sorbent was initiated.~~
 - ~~B. The aggregate duration of operation without injection of sorbent during startups during the reporting period (hours).~~
 - ~~C. If there have been no startups of the boiler without injection of sorbent during the reporting period, this shall be stated in the report.~~
 - ~~ii. For malfunctions or breakdowns:~~
 - ~~A. A listing of malfunctions and breakdowns, in chronological order, that includes: (1) the date, time, and duration of each incident, (2) the identity of the affected boiler involved in the incident, and (3) whether a follow-up notice was submitted for the incident pursuant to Condition 6(b)(ii), with the date of the notice.~~

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- B. ~~The detailed information for each such incident required pursuant to Condition 6(a) (as each incident constitutes a deviation) and Condition 6(b)(ii). For this purpose, the Permittee need not resubmit information provided in a prior report for an incident, as identified above, but may elect to supplement the prior submittal.~~
- C. ~~The aggregate duration of all incidents during the reporting period (hours).~~
- D. ~~If there have been no such incidents during the reporting period, this shall be stated in the report.~~

- d. The Permittee shall notify the Illinois EPA when the affected system initially starts operation.
- 7. The Illinois EPA has determined that this project, as described in the application, will not constitute a modification of the affected boiler under the federal New Source Performance Standards, 40 CFR Part 60, as the project has the primary function of reducing emissions and is not considered a modification pursuant to 40 CFR 60.14(e)(5).
- 8. Two copies of required reports and notifications shall be sent to the Illinois EPA's Compliance Section at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

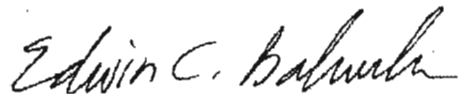
Illinois Environmental Protection Agency
Division of Air Pollution Control
2009 Mall Street
Collinsville, Illinois 62234

Telephone: 618-346-5120 Facsimile: 618-346-5155

- 9. The Permittee may operate the affected boiler with the new sorbent injection system and the associated sorbent storage and handling equipment for this system pursuant to this construction permit until an operating permit for the source is issued that addresses operation of the boiler with the affected system. This condition supersedes Standard Condition 6.

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If you have any questions on this permit, please call Kunj Patel at 217/785-1705.



Edwin C. Bakowski, P.E.
Manager, Permit Section
Division of Air Pollution Control

Date signed: August 24, 2012

ECB:CPR:KMF:

cc: Region 3

CERTIFICATE OF SERVICE

I, the undersigned, certify that on this 21st day of September, 2012, I have served electronically the attached **APPEAL OF CONSTRUCTION PERMIT FOR THE INSTALLATION OF A SORBENT INJECTION SYSTEM AT WOOD RIVER POWER STATION, UNIT 4** and the **APPEARANCES OF KATHLEEN C. BASSI and STEPHEN J. BONEBRAKE**, upon the following persons:

John Therriault, Assistant Clerk
Illinois Pollution Control Board
James R. Thompson Center
Suite 11-500
100 West Randolph
Chicago, Illinois 60601

and by first-class mail with postage thereon fully prepaid and affixed to the following persons:

Julie Armitage, Acting General Counsel
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue, East
P.O. Box 19276
Springfield, Illinois 62794-9276


Kathleen C. Bassi

Kathleen C. Bassi
Stephen J. Bonebrake
SCHIFF HARDIN LLP
Attorneys for Dynegy Midwest Generation, LLC.
233 South Wacker Drive, Suite 6600
Chicago, Illinois 60606
312-258-5567
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kbassi@schiffhardin.com