



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-2829

PAT QUINN, GOVERNOR

LISA BONNETT, DIRECTOR

IEPA EXHIBIT

No. 36

Memorandum

Date: Wednesday, December 09, 2015

To: Bob Mosher, DWPC Standards

From: Shu-Mei Tsai

Subject: Request for Water Quality Standards Evaluation

An NPDES permit will be drafted for the facility identified below. The following standards related items are requested items to facilitate permit issuance:

Antidegradation Assessment new discharge expanded relocated
 Additional Parameters of Concern:

Reasonable Potential/Water Quality Based Effluent Limits Analysis

Whole Effluent Biomonitoring Recommendations

Ammonia Limits Current Limits Ave. Max
 Spring/Fall
 Summer
 Winter

Facility now collects ammonia 5 days per week

303(d)/BSC Listing or Rating for Receiving Water

Facility Name: Ameren – Coffeen Power Station

NPDES No. IL0000108

Receiving Waters: Lake Coffeen

County: Montgomery

NPDES Expiration Date: 1/31/2013

Major Facility **Minor Facility** **DAF:**

Highest monthly ave. flow: MGD

- Copy of NPDES Permit Application/Map forwarded to IDNR on
- IDNR Endangered Species Action Report included with received application (copy attached)

Comments, etc: New discharges request for Outfall 001, 002, C01, and E01.
Comment #2, #5, #6, and #7.

LeCrone, Darin

From: LeCrone, Darin
Sent: Wednesday, December 09, 2015 2:47 PM
To: Tsai, Shu-Mei
Subject: RE: IL0000108 Coffeen Station

What new wastestreams are they adding? Is this just the non-chemical metal cleaning waste issue? If so, I'm not sure Bob needs to weigh in on it. The issue is a matter of ... did they wastestream exist previously and they are just now calling it what it is (if so, it's not an anti-deg issue), OR is this truly a new wastestream that was not previously being discharged at that outfall (this would be an anti-deg issue).

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: Tsai, Shu-Mei
Sent: Wednesday, December 09, 2015 2:25 PM
To: LeCrone, Darin
Subject: IL0000108 Coffeen Station

Update:

I sent a memo to Bob to request WQ evaluation for adding new streams.

Shu-Mei Tsai,
Environmental Protection Engineer, Industrial Unit
Permit Section
Division of Water Pollution Control
Illinois Environmental Protection Agency

ph: 217-782-0610
fax: 217-782-9891
Shu-Mei.Tsai@Illinois.gov



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

IEPA EXHIBIT

No. 38

DEC 23 2015

REPLY TO THE ATTENTION OF:
WN-16J

Marcia Willhite, Chief
Bureau of Water
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276

Re: U.S. Environmental Protection Agency Review of the Public Notice Draft NPDES Permit,
Illinois Power Generating Company, Coffeen Power Station, Permit No. IL0000108

Dear Ms. Willhite:

The United States Environmental Protection Agency (EPA) has reviewed the Public Notice Draft National Pollutant Discharge Elimination System Permit, fact sheet, and supplemental information for the Illinois Power Generating Company, Coffeen Power Station (Coffeen) in Coffeen Illinois that was submitted to EPA on September 4, 2015. EPA provided comments on the Pre-public Notice Permit via email on April 8, 2015. Based on our review, EPA would not object to the issuance of the Public Notice Draft Permit. Our position could change if any of the following occur:

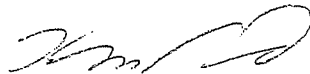
- a. Prior to the actual date of issuance of a Proposed Permit, an effluent guideline or standard is promulgated which is applicable to the permit and which would require revision or modification of a limitation or condition set forth in the Permit;
- b. A variance is granted and the Permit is modified to incorporate the results of that variance;
- c. There are additional revisions to be incorporated into the Permit which have not been agreed to by EPA; or
- d. EPA learns of new information, including as the result of public comments that causes EPA to reconsider its position.

Subject to the above conditions, the permit may be issued in accordance with the Memorandum of Agreement and pursuant to the Clean Water Act. EPA identified additional comments during review of the Public Notice Draft Permit. The comments and agreement to resolve them based on a phone conversation between Darin LeCrone of IEPA and Mark Ackerman of EPA on December 8, 2015 can be found in Enclosure A.

When the Proposed Permit is issued, please forward a copy and any significant comments received during any public comment period to r5npdes@epa.gov. Please include the EPA permit number, facility name, and the words "Proposed Permit" in the message title. If you have any technical questions related to EPA's review, please contact Mark Ackerman at (312) 353-4145 or ackerman.mark@epa.gov.

Thank you for your cooperation during the review process and your thoughtful consideration of our comments.

Sincerely,



Kevin M. Pierard, Chief
NPDES Programs Branch

Enclosure

cc: Shu-Mei Tsai, IEPA, (electronically)
Darin LeCrone, IEPA (electronically)

Enclosure A

U.S. Environmental Protection Agency
Public Notice Draft NPDES Permit
Illinois Power Generating Company, Coffeen Power Station
Received on September 4, 2015
Permit No. IL0000108

The Public Notice Draft Permit addressed EPA's comments on the Pre-Public Notice Permit, but additional comments were identified during review of the Public Notice Draft Permit. The comments and agreement to resolve them based on a phone conversation between Darin LeCrone of IEPA and Mark Ackerman of EPA on December 8, 2015 are included here.

1. The Draft permit did not include the incidental take statement pursuant to 40 C.F.R. § 125.98(b)(1).

Illinois EPA agreed to include this statement in the proposed permit.

2. The public notice did not include the additional public notice requirements for alternative thermal limits. See 40 C.F.R. § 125.57. Since the permit has already been public noticed please update the original file for the public notice document to include place holders for the additional requirements so they will be included in future permit proceedings.

Illinois EPA agreed to revise the public notice seed file.

Tsai, Shu-Mei

From: Twait, Scott
Sent: Tuesday, January 05, 2016 10:00 AM
To: Tsai, Shu-Mei
Subject: Ameren - Coffeen Power Station (IL0000108)

Shu-Mei,

The discharges from Outfalls 001, 002, C01, and E01 which are represented in Comments #2, #5, #6, and #7 of Illinois Power Generating Company's September 30, 2015 letter do not need an antidegradation assessment. According to the letter, the discharges of the cribhouse sumps and various discharges of non-chemical metal cleaning wastewater are not new, but have not been specifically called out in the prior permit.

Scott

LeCrone, Darin

From: LeCrone, Darin
Sent: Wednesday, January 06, 2016 9:27 AM
To: Tsai, Shu-Mei
Subject: RE: Coffeen

Well, it kind of depends on what they were. If that is what my comments were on the last draft, then take a look at that. If it is something else, bring it to me and we can go over it real quick.

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: Tsai, Shu-Mei
Sent: Wednesday, January 06, 2016 9:13 AM
To: LeCrone, Darin
Subject: RE: Coffeen

If you want me to go ahead to add those streams, then I may give you the file today....

From: LeCrone, Darin
Sent: Wednesday, January 06, 2016 9:11 AM
To: Tsai, Shu-Mei
Subject: RE: Coffeen

Well.... We need to take a look at it carefully and see if this is a case where they are more fully describing what is currently being discharged vs. actually talking about new wastestreams that have not been discharged before.

At some other stations, it was really just a matter of renaming existing wastestreams in the permit.

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: Tsai, Shu-Mei
Sent: Wednesday, January 06, 2016 9:06 AM
To: LeCrone, Darin
Subject: RE: Coffeen

They ask for adding some "new" streams in the permit. We never got the notice about that. I think we should send out the violation to them, just what the Agency did to SABIC.

From: LeCrone, Darin
Sent: Wednesday, January 06, 2016 9:03 AM

To: Tsai, Shu-Mei
Subject: RE: Coffeen

Its just a couple of simple things that I discussed with him. I think that I had some comments on the final draft, but I also know we still need to address the new requirements of the new Steam Electric ELG's..... just like for CWLP.

We need to keep these things moving.

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: Tsai, Shu-Mei
Sent: Wednesday, January 06, 2016 9:00 AM
To: LeCrone, Darin
Subject: RE: Coffeen

Got an email from Daniel Locke on December 29, 2015 , and I didn't look it yet.

From: LeCrone, Darin
Sent: Wednesday, January 06, 2016 8:57 AM
To: Tsai, Shu-Mei
Subject: Coffeen

What is the status of Coffeen? When can I expect it to be turned in again? Remember, we need to look at the new 40 CFR 423 requirements. Is that what you still need to do?

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

Tsai, Shu-Mei

From: Bush, Jacquelyn <Jacquelyn.R.Bush@dynegy.com>
Sent: Monday, May 23, 2016 12:35 PM
To: Tsai, Shu-Mei
Cc: Davis, Thomas L
Subject: FW: NPDES IL0000108 Additional wastestreams

Good Afternoon Shu-Mei;

The waste streams below are already listed in the current expired permit; these are not new waste streams.

In the public noticed permit, IPGC commented that non-chemical metal cleaning waste waters have always been a part of the contributory flows listed below. The request was to then add non-chemical metal cleaning wastewater as an intermittent, contributory flow to Outfalls 001, 002, C01 and E01.

Please feel free to contact me if there are more questions or if additional information is needed.
Thanks Jacque

Jacquelyn R. Bush 
*Sr Environmental Professional – Water and Waste Permitting
Environmental Compliance Group*
DYNEGY OPERATING COMPANY
Mailing/Shipping: 1500 Eastport Plaza Drive
Collinsville, IL 62234
Office: 618-343-7885
Mobile: 618-823-8548
Fax: 618-343-7802
Email: jacquelyn.R.bush@dynegy.com

From: Davis, Thomas L
Sent: Monday, May 23, 2016 10:30 AM
To: Tsai, Shu-Mei; Diericx, Rick; Bush, Jacquelyn
Subject: Re: NPDES IL0000108 Additional wastestreams

Jacque,

Would you please take care of this matter.

Thanks

Tom

From: Tsai, Shu-Mei <Shu-Mei.Tsai@Illinois.gov>
Sent: Monday, May 23, 2016 9:18:47 AM
To: Diericx, Rick
Cc: Davis, Thomas L
Subject: NPDES IL0000108 Additional wastestreams

Rick:

Dynegy requests several wastestreams that should be listed in the permit. Could you provide the approximately when Coffeen started to have those wastestreams? Thanks

Outfall 001 –

- #7 Raw water treatment and demineralizer regenerant waste
- #9 Maintenance shop oil/water separator discharge
- #13 Unit 1 floor and equipment drains
- #14 Unit 2 floor and equipment

Outfall 002 –

- #3 Coal crusher house sump pit discharge
- #10 Coal unloader sumps
- #12 Tripper room floor drains
- #13 FGD maintenance building floor drains

Outfall C01 –

Non-Chemical metal cleaning

Outfall E01 –

Non-Chemical metal cleaning

Shu-Mei Tsai,

Environmental Protection Engineer, Industrial Unit
Permit Section
Division of Water Pollution Control
Illinois Environmental Protection Agency

ph: 217-782-0610

fax: 217-782-9891

Shu-Mei.Tsai@Illinois.gov

Illinois Power Generating Company
1500 Eastport Plaza Drive
Collinsville, IL 62234
Phone 618-343-7761

SMT



RECEIVED
JUN 23 2016
ILLINOIS DEPARTMENT OF ENVIRONMENT
PERMITTING SECTION

IEPA EXHIBIT
No. 42

Via E-mail and UPS

June 22, 2016

Illinois Environmental Protection Agency
Bureau of Water, Division of Water Pollution Control
Permitting Section
1021 North Grand Avenue East
Springfield, IL 62794-9276

Attn: Darin LeCrone, P.E.
Manager, Industrial Unit

**Subject: Coffeen Power Station
Reissuance of NPDES Permit IL0000108
USEPA's New Effluent Limitations Guidelines and Standards (ELG), 40 C.F.R. Part 423**

Mr. LeCrone:

In response to an inquiry from Ms. Shu-Mei Tsai of your staff on Monday, May 23, 2016, Coffeen Station is pleased to provide you with information related to incorporation of the new ELG Best Available Technology Economically Achievable (BAT) effluent limitations in the Station's soon-to-be-reissued NPDES permit.

As you know, the USEPA's new ELG rule (80 Fed. Reg. 67838 (Nov. 3, 2015); effective Jan. 4, 2016) established BAT effluent limitations on the following discharges from steam-electric power plants to waters of the U.S.: fly ash transport waters, bottom ash transport waters, flue gas desulfurization (FGD) wastewaters, combustion residual leachate, flue gas mercury control (FGMC) wastewaters, and gasification wastewaters.¹ The new ELG limits do not apply until -- at the earliest -- November 1, 2018. See, e.g., 40 C.F.R. § 423.13(k)(1)(ii) (bottom ash transport water) ("Dischargers must meet the [relevant new ELG effluent limit] by a date determined by the permitting authority that is as soon as possible beginning November 1, 2018 but no later than December 31, 2023.").

None of the new ELG effluent limits currently affect Coffeen Station. The fly ash transport water ELG does not affect Coffeen Station because fly ash is currently managed dry. The bottom ash transport water ELG does not affect Coffeen Station because bottom ash transport waters are currently recycled internally from the existing bottom ash surface impoundment and are not discharged. The FGD wastewater ELG does not affect Coffeen Station (even though the Station has a wet scrubber) because all FGD wastewaters are currently recycled and not discharged. Leachates from the onsite coal

¹ As with the previously established 40 C.F.R. Part 423 ELG regulations, the new ELG rule "reserves" BAT effluent limits for non-chemical metal cleaning wastewaters.

combustion residual (CCR) landfill are currently recycled onto the CCR landfill and not discharged. And finally, Coffeen Station does not generate FGMC or gasification wastewaters.

However, the USEPA CCR rule will have a significant effect on CCR surface impoundments at Coffeen Station, including the need to close one or more CCR surface impoundments and the likely need to construct several new wastewater treatment facilities. Closure of the CCR surface impoundments will involve “dewatering” the impoundments and discharging those dewatering wastewaters in order to avoid interfering with the Station’s wastewater recycling operations and the closure schedule for the impoundments. Importantly, the new ELG rule expressly allows the discharge of the “legacy wastewaters” after the applicability date of the new ELGs, i.e., the date determined by the permitting authority that is “as soon as possible” beginning November 1, 2018 but no later than December 31, 2023.² That is, certain wastewaters covered by the new ELG rule that are generated prior to the applicability date of the new ELGs may be discharged after that applicability date subject to the BAT limits on total suspended solids (TSS) applicable to legacy wastewaters. *See, e.g.,* 40 C.F.R. § 423.13(k)(1)(ii); *see also* 80 Fed. Reg. at 67854-55, 67883 (preamble discussion of legacy wastewater). Thus, for example, when dewatering a surface impoundment as part of the closure process under the USEPA CCR rule, the new ELG rule would allow the discharge of legacy bottom ash transport waters from the impoundment after the ELG applicability date, subject to the BAT TSS limits.

At this time, we anticipate that the Coffeen Station’s active bottom ash surface impoundment (Ash Pond No. 1) and inactive CCR surface impoundment (Ash Pond No. 2) will both be closed-in-place as a result of the USEPA CCR rule. Closure of Ash Pond No. 1 would require reconfiguration of bottom ash transport water processes at Coffeen Station to comply with the new ELG rule. Other factors also will affect the “as soon as possible” date by which Coffeen Station could comply with the new ELG limit for bottom ash transport water. As a result and as further discussed below, we believe the “as soon as possible” date for applicability of the new ELG limit at Coffeen Station for the bottom ash transport water is March 31, 2019, recognizing that legacy bottom ash transport wastewaters can be discharged after that date.

Ash Pond No. 1

We currently anticipate that, under the USEPA CCR rule, active Ash Pond No. 1 will be required to be taken out of service by April 2019. After that date, Ash Pond No. 1 would not receive any bottom ash transport waters. However, as part of dewatering needed to implement the anticipated closure of Ash Pond No. 1, bottom ash transport waters already in Ash Pond No. 1 on (and generated prior to) that date will need to be discharged to Coffeen Lake. The dewatering process is preliminarily estimated to occur over a period of several months. Discharge of the dewatering wastewaters will be necessary to avoid interfering with the Station’s recycling of wastewaters and the closure schedule for the impoundment.

² The ELG rule, 40 C.F.R. § 423.11(t), defines “as soon as possible” for purposes of the ELG rule in terms of several factors including (in relevant part): “(1) Time to expeditiously plan (including to raise capital), design, procure, and install equipment to comply with the requirements of [40 C.F.R. Part 423]. (2) Changes being made or planned at the plant in response to: ... (iii) Regulations that address the disposal of coal combustion residuals as solid waste, under sections 1006(b), 1008(a), 2002(a), 3001, 4004, and 4005(a) of the Solid Waste Disposal Act of 1970, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. 6906(b), 6907(a), 6912(a), 6944, and 6945(a). ... (4) Other factors as appropriate.”

Under the USEPA CCR rule, existing CCR surface impoundments must demonstrate compliance with specified location restrictions by October 2018. See 40 C.F.R. § 257.60-.64. If any one of those demonstrations cannot be made, placement of CCR into the impoundment must cease within six months (e.g., April 2019) and the impoundment must close. See 40 C.F.R. § 257.101(b). Evaluations concerning Ash Pond No. 1 are ongoing. However, at this time, we anticipate that Ash Pond No. 1 may not be able to demonstrate compliance with each of the location restrictions, such that placement of CCR into Ash Pond No. 1 would be required to cease by April 2019.

The anticipated need to close Ash Pond No. 1 as a result of the CCR rule will require Coffeen Station to reconfigure how it addresses bottom ash transport water, oil/water separator, and pump house sump wastewaters currently discharged to Ash Pond No. 1. Reconfiguring the Station's bottom ash transport water flows (and the other contributory wastewater that currently flow to Ash Pond No. 1) will necessarily involve conceptual planning,³ detailed design engineering, procurement, permitting, construction/installation, and commissioning of new systems. Further, the reconfigured bottom ash transport water system must comply with the new ELG requirements (i.e., no discharge of bottom ash transport water). The preliminary conceptual plan of changes needed to address bottom ash transport water at Coffeen Station is to construct new concrete basins that would receive bottom ash transport water, which would be used to dewater the CCR and recycle the water back through the system without discharge to waters of the U.S. The entire process (i.e., from conceptual planning through commissioning) of redirecting bottom ash transport water flows and other contributory wastewater flows currently being discharged to Ash Pond No. 1 to new wastewater treatment facilities at Coffeen Station is preliminarily anticipated to take until **March 31, 2019**, including appropriate time for unanticipated contingencies. At this preliminary juncture, conceptual integrated planning for reconfiguring the Station's bottom ash transport water flows (and other contributory wastewaters) that currently flow to Ash Pond No. 1 is anticipated to be initially completed by year-end 2016, to be followed sequentially by detailed design engineering (to be completed by August 2018), procurement, contract bid/award, and permitting (to be completed by March 2018), construction (to be completed by January 2019) and commissioning (to be completed by **March 31, 2019**).

In short, for Coffeen Station, BAT technology (i.e., zero discharge) for bottom ash transport waters is not feasible until March 31, 2019. Legacy bottom ash transport waters generated prior to that date may, however, be discharged subject to the BAT TSS limits.

Other Appropriate Factors. In addition to the time needed to make changes at Coffeen Station to comply with the new ELG rule and the changes preliminarily planned to meet the USEPA CCR rule, other appropriate factors support a March 31, 2019 applicability date at Coffeen Station for the new ELG limit for bottom ash transport water. Specifically, Dynegy has numerous CCR impoundments fleet wide which necessitates the creation of an integrated compliance planning schedule that addresses not only the new ELG rule and the CCR rule but also the USEPA's Clean Water Act section 316(b) rule for cooling water intake structures. Moreover, the compliance planning schedule must consider not only the regulatory compliance deadline of each rule but also numerous engineering factors, including the time needed to design, procure (i.e., material lead time) and install the new

³ As discussed further below, conceptual planning in this context requires integrated compliance planning and scheduling concerning not only for the CCR rule and new ELG rule at Coffeen Station but also at other power stations in Dynegy's fleet.

Mr. Darin LeCrone, P.E.

June 24, 2016

Page 4 of 5

equipment/facilities, the availability of civil, electrical and mechanical contractors, and preliminary structural, groundwater and locations assessments. These engineering factors must be considered in conjunction with the plants' physical considerations, including the remaining capacity of existing CCR impoundments, access to the location of the planned facilities and reasonable contingencies for unforeseen weather circumstances or permitting or other unexpected delays. Economic factors that must be considered include the timing of planned unit outages (including coordination with the relevant RTO's to maintain grid reliability) and corporate cash flow. Because the activities of each station's and each system's compliance plan has either a manpower, material or economic impact on the rest of Dynegey's project schedule, it is imperative that IEPA affirm the **March 31, 2019** ELG bottom ash transport water applicability date identified for Coffeen Station by including it in Coffeen Station's reissued NPDES permit.

Inactive Ash Pond No. 2

Coffeen Station currently recycles combustion residual leachate from inactive Ash Pond No. 2 to the Station's gypsum management system. In accordance with the USEPA CCR Rule, by letter dated November 18, 2015, we notified IEPA of our intent to close inactive Ash Pond No. 2. Closing inactive Ash Pond No. 2 will require dewatering Ash Pond No. 2, which likely will require discharging the "dewatered" combustion residual leachate to Coffeen Lake to enable timely construction of the closure cap. In accordance with the requirements of the USEPA CCR rule, closure of Ash Pond No. 2 is currently expected to be completed by October 2020. To meet that schedule, dewatering discharges of combustion residual leachate from inactive Ash Pond No. 2 is currently anticipated to begin during the 3rd quarter of 2017 and continue through the 2nd quarter of 2018.

The discharge of dewatered combustion residual leachate from inactive Ash Pond No. 2 to Coffeen Lake likely will be needed to avoid interfering with the closure schedule for Ash Pond No. 2. That is, although the Station's gypsum management system currently recycles combustion residual leachate from Ash Pond No. 2, the closure work on Ash Pond No. 2 cannot be dependent on operation of the Station's gypsum management system. Moreover, the short-term volumes of dewatering combustion residual leachate from Ash Pond No. 2 may be not be useable in the Station's gypsum management system.

Under the new ELG rule, the discharge of combustion residual leachate is subject to BAT limits on TSS that are equivalent to the previously promulgated best practicable technology currently available limit on TSS in low volume wastes (i.e., 100 mg/l, one day max; 30 mg/l, 30 day avg.). The new BAT limit for combustion residual leachate applies on the date a permit is issued to the discharger, following the effective date of the rule. 80 Fed. Reg. at 67882.

* * * * *

In sum, Coffeen Station requests that its reissued NPDES permit identify **March 31, 2019** as the applicability date of the new ELG effluent limit for the bottom ash transport water.

One final point: Coffeen Station's current NPDES permit does not authorize the discharge of dewatering wastewater streams to Coffeen Lake from either Ash Pond No. 1 or Ash Pond No. 2. We intend to submit an application to modify the Coffeen NPDES permit shortly after it has formally been reissued requesting authorization to discharge these dewatering wastewater streams. The application will include completed Form 1 and 2D forms.

Mr. Darin LeCrone, P.E.

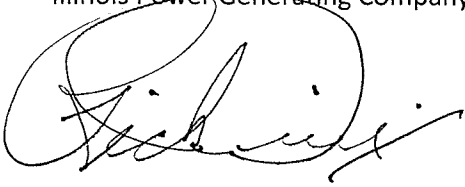
June 24, 2016

Page 5 of 5

We appreciate the opportunity to provide the above information concerning incorporation of the new ELG effluent limits in Coffeen Station's soon-to-be-reissued NPDES permit. Please feel free to call me (tel. no. 618-343-7761) or Thomas L. Davis on my staff (tel. no. 618-343-7757) if you have questions regarding the information.

Sincerely,

Illinois Power Generating Company



Rick Diericx

Managing Director, Environmental Compliance Group

cc: Shu-Mei Tsai, IEPA

RECEIVED
JUN 23 2016
DOWNTOWN PERMIT SECTION

Tsai, Shu-Mei

From: LeCrone, Darin
Sent: Thursday, June 23, 2016 9:42 AM
To: Tsai, Shu-Mei
Subject: RE: Coffeen Station; Reissuance of NPDES Permit IL0000108; ELG Applicability Dates

There will need to be changes to both, to reflect compliance with the ELG's based on their letter. It will most likely just be a special condition. You really need to read the rule requirements related to the Bottom Ash Transport water, "Legacy Wastewaters", and CCR leachate. These are the wastestreams at Coffeen that will be affected.

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: Tsai, Shu-Mei
Sent: Thursday, June 23, 2016 9:39 AM
To: LeCrone, Darin
Subject: RE: Coffeen Station; Reissuance of NPDES Permit IL0000108; ELG Applicability Dates

Do I have to change anything in the permit or final letter?

From: LeCrone, Darin
Sent: Thursday, June 23, 2016 9:12 AM
To: Tsai, Shu-Mei
Cc: Keller, Al
Subject: FW: Coffeen Station; Reissuance of NPDES Permit IL0000108; ELG Applicability Dates

Sorry, I put the wrong Friday date. Tomorrow is the 24th. I meant that it needs to be ready to send to the Feds by Friday July 1.

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: LeCrone, Darin
Sent: Thursday, June 23, 2016 8:11 AM
To: Tsai, Shu-Mei
Cc: Keller, Al
Subject: FW: Coffeen Station; Reissuance of NPDES Permit IL0000108; ELG Applicability Dates

Take a look at Dynegy's schedule, and make sure you understand what they are saying. They are saying that they will not be generating wastestreams covered by the new ELG's after March 31, 2019. However..... they will still be discharging legacy wastewaters (i.e. bottom ash transport and CCR leachate) after those dates due to dewatering

activities. The March 31, 2019 date in their letter is the date that the bottom ash impoundment will be taken out of service, and dewatering will begin. The CCR leachate dewatering is on a different schedule for Pond 2.

Make sure you understand what they are saying and what the rule requires. I want the Coffeen permit ready to send to USEPA as a proposed permit one week from tomorrow... in other words, it must be done and turned in to me so that it can be sent to USEPA by Friday June 24.

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

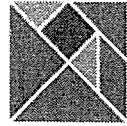
From: Davis, Thomas L [<mailto:Thomas.L.Davis@dynegey.com>]
Sent: Wednesday, June 22, 2016 4:38 PM
To: LeCrone, Darin; Tsai, Shu-Mei
Cc: Diericx, Rick; Romang, John C; Leskovsek, Andreas H; Bush, Jacquelyn
Subject: Coffeen Station; Reissuance of NPDES Permit IL0000108; ELG Applicability Dates

Darin and Shu-Mei,

The attached letter was mailed to you this late this afternoon. Please feel free to call me if you have questions regarding its contents.

Tom

Illinois Power Generating Company
1500 Eastport Plaza Drive
Collinsville, IL 62234
Phone 618-343-7761



Via E-mail and UPS

June 22, 2016

Illinois Environmental Protection Agency
Bureau of Water, Division of Water Pollution Control
Permitting Section
1021 North Grand Avenue East
Springfield, IL 62794-9276

Attn: Darin LeCrone, P.E.
Manager, Industrial Unit

**Subject: Coffeen Power Station
Reissuance of NPDES Permit IL0000108
USEPA's New Effluent Limitations Guidelines and Standards (ELG), 40 C.F.R. Part 423**

Mr. LeCrone:

In response to an inquiry from Ms. Shu-Mei Tsai of your staff on Monday, May 23, 2016, Coffeen Station is pleased to provide you with information related to incorporation of the new ELG Best Available Technology Economically Achievable (BAT) effluent limitations in the Station's soon-to-be-reissued NPDES permit.

As you know, the USEPA's new ELG rule (80 Fed. Reg. 67838 (Nov. 3, 2015); effective Jan. 4, 2016) established BAT effluent limitations on the following discharges from steam-electric power plants to waters of the U.S.: fly ash transport waters, bottom ash transport waters, flue gas desulfurization (FGD) wastewaters, combustion residual leachate, flue gas mercury control (FGMC) wastewaters, and gasification wastewaters.¹ The new ELG limits do not apply until -- at the earliest -- November 1, 2018. *See, e.g.,* 40 C.F.R. § 423.13(k)(1)(ii) (bottom ash transport water) ("Dischargers must meet the [relevant new ELG effluent limit] by a date determined by the permitting authority that is as soon as possible beginning November 1, 2018 but no later than December 31, 2023.").

None of the new ELG effluent limits currently affect Coffeen Station. The fly ash transport water ELG does not affect Coffeen Station because fly ash is currently managed dry. The bottom ash transport water ELG does not affect Coffeen Station because bottom ash transport waters are currently recycled internally from the existing bottom ash surface impoundment and are not discharged. The FGD wastewater ELG does not affect Coffeen Station (even though the Station has a wet scrubber) because all FGD wastewaters are currently recycled and not discharged. Leachates from the onsite coal

¹ As with the previously established 40 C.F.R. Part 423 ELG regulations, the new ELG rule "reserves" BAT effluent limits for non-chemical metal cleaning wastewaters.

combustion residual (CCR) landfill are currently recycled onto the CCR landfill and not discharged. And finally, Coffeen Station does not generate FGMC or gasification wastewaters.

However, the USEPA CCR rule will have a significant effect on CCR surface impoundments at Coffeen Station, including the need to close one or more CCR surface impoundments and the likely need to construct several new wastewater treatment facilities. Closure of the CCR surface impoundments will involve “dewatering” the impoundments and discharging those dewatering wastewaters in order to avoid interfering with the Station’s wastewater recycling operations and the closure schedule for the impoundments. Importantly, the new ELG rule expressly allows the discharge of the “legacy wastewaters” after the applicability date of the new ELGs, i.e., the date determined by the permitting authority that is “as soon as possible” beginning November 1, 2018 but no later than December 31, 2023.² That is, certain wastewaters covered by the new ELG rule that are generated prior to the applicability date of the new ELGs may be discharged after that applicability date subject to the BAT limits on total suspended solids (TSS) applicable to legacy wastewaters. *See, e.g.,* 40 C.F.R. § 423.13(k)(1)(ii); *see also* 80 Fed. Reg. at 67854-55, 67883 (preamble discussion of legacy wastewater). Thus, for example, when dewatering a surface impoundment as part of the closure process under the USEPA CCR rule, the new ELG rule would allow the discharge of legacy bottom ash transport waters from the impoundment after the ELG applicability date, subject to the BAT TSS limits.

At this time, we anticipate that the Coffeen Station’s active bottom ash surface impoundment (Ash Pond No. 1) and inactive CCR surface impoundment (Ash Pond No. 2) will both be closed-in-place as a result of the USEPA CCR rule. Closure of Ash Pond No. 1 would require reconfiguration of bottom ash transport water processes at Coffeen Station to comply with the new ELG rule. Other factors also will affect the “as soon as possible” date by which Coffeen Station could comply with the new ELG limit for bottom ash transport water. As a result and as further discussed below, we believe the “as soon as possible” date for applicability of the new ELG limit at Coffeen Station for the bottom ash transport water is March 31, 2019, recognizing that legacy bottom ash transport wastewaters can be discharged after that date.

Ash Pond No. 1

We currently anticipate that, under the USEPA CCR rule, active Ash Pond No. 1 will be required to be taken out of service by April 2019. After that date, Ash Pond No. 1 would not receive any bottom ash transport waters. However, as part of dewatering needed to implement the anticipated closure of Ash Pond No. 1, bottom ash transport waters already in Ash Pond No. 1 on (and generated prior to) that date will need to be discharged to Coffeen Lake. The dewatering process is preliminarily estimated to occur over a period of several months. Discharge of the dewatering wastewaters will be necessary to avoid interfering with the Station’s recycling of wastewaters and the closure schedule for the impoundment.

² The ELG rule, 40 C.F.R. § 423.11(t), defines “as soon as possible” for purposes of the ELG rule in terms of several factors including (in relevant part): “(1) Time to expeditiously plan (including to raise capital), design, procure, and install equipment to comply with the requirements of [40 C.F.R. Part 423]. (2) Changes being made or planned at the plant in response to: ... (iii) Regulations that address the disposal of coal combustion residuals as solid waste, under sections 1006(b), 1008(a), 2002(a), 3001, 4004, and 4005(a) of the Solid Waste Disposal Act of 1970, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. 6906(b), 6907(a), 6912(a), 6944, and 6945(a). ... (4) Other factors as appropriate.”

Under the USEPA CCR rule, existing CCR surface impoundments must demonstrate compliance with specified location restrictions by October 2018. See 40 C.F.R. § 257.60-.64. If any one of those demonstrations cannot be made, placement of CCR into the impoundment must cease within six months (e.g., April 2019) and the impoundment must close. See 40 C.F.R. § 257.101(b). Evaluations concerning Ash Pond No. 1 are ongoing. However, at this time, we anticipate that Ash Pond No. 1 may not be able to demonstrate compliance with each of the location restrictions, such that placement of CCR into Ash Pond No. 1 would be required to cease by April 2019.

The anticipated need to close Ash Pond No. 1 as a result of the CCR rule will require Coffeen Station to reconfigure how it addresses bottom ash transport water, oil/water separator, and pump house sump wastewaters currently discharged to Ash Pond No. 1. Reconfiguring the Station's bottom ash transport water flows (and the other contributory wastewater that currently flow to Ash Pond No. 1) will necessarily involve conceptual planning,³ detailed design engineering, procurement, permitting, construction/installation, and commissioning of new systems. Further, the reconfigured bottom ash transport water system must comply with the new ELG requirements (i.e., no discharge of bottom ash transport water). The preliminary conceptual plan of changes needed to address bottom ash transport water at Coffeen Station is to construct new concrete basins that would receive bottom ash transport water, which would be used to dewater the CCR and recycle the water back through the system without discharge to waters of the U.S. The entire process (i.e., from conceptual planning through commissioning) of redirecting bottom ash transport water flows and other contributory wastewater flows currently being discharged to Ash Pond No. 1 to new wastewater treatment facilities at Coffeen Station is preliminarily anticipated to take until **March 31, 2019**, including appropriate time for unanticipated contingencies. At this preliminary juncture, conceptual integrated planning for reconfiguring the Station's bottom ash transport water flows (and other contributory wastewaters) that currently flow to Ash Pond No. 1 is anticipated to be initially completed by year-end 2016, to be followed sequentially by detailed design engineering (to be completed by August 2018), procurement, contract bid/award, and permitting (to be completed by March 2018), construction (to be completed by January 2019) and commissioning (to be completed by **March 31, 2019**).

In short, for Coffeen Station, BAT technology (i.e., zero discharge) for bottom ash transport waters is not feasible until March 31, 2019. Legacy bottom ash transport waters generated prior to that date may, however, be discharged subject to the BAT TSS limits.

Other Appropriate Factors. In addition to the time needed to make changes at Coffeen Station to comply with the new ELG rule and the changes preliminarily planned to meet the USEPA CCR rule, other appropriate factors support a March 31, 2019 applicability date at Coffeen Station for the new ELG limit for bottom ash transport water. Specifically, Dynegy has numerous CCR impoundments fleet wide which necessitates the creation of an integrated compliance planning schedule that addresses not only the new ELG rule and the CCR rule but also the USEPA's Clean Water Act section 316(b) rule for cooling water intake structures. Moreover, the compliance planning schedule must consider not only the regulatory compliance deadline of each rule but also numerous engineering factors, including the time needed to design, procure (i.e., material lead time) and install the new

³ As discussed further below, conceptual planning in this context requires integrated compliance planning and scheduling concerning not only for the CCR rule and new ELG rule at Coffeen Station but also at other power stations in Dynegy's fleet.

Mr. Darin LeCrone, P.E.

June 24, 2016

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equipment/facilities, the availability of civil, electrical and mechanical contractors, and preliminary structural, groundwater and locations assessments. These engineering factors must be considered in conjunction with the plants' physical considerations, including the remaining capacity of existing CCR impoundments, access to the location of the planned facilities and reasonable contingencies for unforeseen weather circumstances or permitting or other unexpected delays. Economic factors that must be considered include the timing of planned unit outages (including coordination with the relevant RTO's to maintain grid reliability) and corporate cash flow. Because the activities of each station's and each system's compliance plan has either a manpower, material or economic impact on the rest of Dynegy's project schedule, it is imperative that IEPA affirm the **March 31, 2019** ELG bottom ash transport water applicability date identified for Coffeen Station by including it in Coffeen Station's reissued NPDES permit.

Inactive Ash Pond No. 2

Coffeen Station currently recycles combustion residual leachate from inactive Ash Pond No. 2 to the Station's gypsum management system. In accordance with the USEPA CCR Rule, by letter dated November 18, 2015, we notified IEPA of our intent to close inactive Ash Pond No. 2. Closing inactive Ash Pond No. 2 will require dewatering Ash Pond No. 2, which likely will require discharging the "dewatered" combustion residual leachate to Coffeen Lake to enable timely construction of the closure cap. In accordance with the requirements of the USEPA CCR rule, closure of Ash Pond No. 2 is currently expected to be completed by October 2020. To meet that schedule, dewatering discharges of combustion residual leachate from inactive Ash Pond No. 2 is currently anticipated to begin during the 3rd quarter of 2017 and continue through the 2nd quarter of 2018.

The discharge of dewatered combustion residual leachate from inactive Ash Pond No. 2 to Coffeen Lake likely will be needed to avoid interfering with the closure schedule for Ash Pond No. 2. That is, although the Station's gypsum management system currently recycles combustion residual leachate from Ash Pond No. 2, the closure work on Ash Pond No. 2 cannot be dependent on operation of the Station's gypsum management system. Moreover, the short-term volumes of dewatering combustion residual leachate from Ash Pond No. 2 may be not be useable in the Station's gypsum management system.

Under the new ELG rule, the discharge of combustion residual leachate is subject to BAT limits on TSS that are equivalent to the previously promulgated best practicable technology currently available limit on TSS in low volume wastes (i.e., 100 mg/l, one day max; 30 mg/l, 30 day avg.). The new BAT limit for combustion residual leachate applies on the date a permit is issued to the discharger, following the effective date of the rule. 80 Fed. Reg. at 67882.

* * * * *

In sum, Coffeen Station requests that its reissued NPDES permit identify **March 31, 2019** as the applicability date of the new ELG effluent limit for the bottom ash transport water.

One final point: Coffeen Station's current NPDES permit does not authorize the discharge of dewatering wastewater streams to Coffeen Lake from either Ash Pond No. 1 or Ash Pond No. 2. We intend to submit an application to modify the Coffeen NPDES permit shortly after it has formally been reissued requesting authorization to discharge these dewatering wastewater streams. The application will include completed Form 1 and 2D forms.

Mr. Darin LeCrone, P.E.

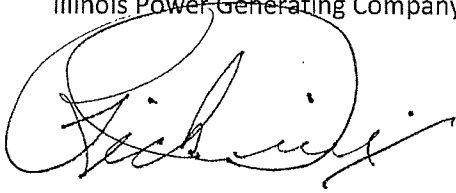
June 24, 2016

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We appreciate the opportunity to provide the above information concerning incorporation of the new ELG effluent limits in Coffeen Station's soon-to-be-reissued NPDES permit. Please feel free to call me (tel. no. 618-343-7761) or Thomas L. Davis on my staff (tel. no. 618-343-7757) if you have questions regarding the information.

Sincerely,

Illinois Power Generating Company

A handwritten signature in black ink, appearing to read "Rick Diericx", written over the typed name. The signature is fluid and cursive.

Rick Diericx

Managing Director, Environmental Compliance Group

cc: Shu-Mei Tsai, IEPA

Cc: R. O'Keefe/J. Romang
T. Davis/J. Bush – Collinsville
A. Leskovsek – Houston Legal
J. Mansker / M. Balance / J. Frierdich – Collinsville Engineering
R. Diericx Reading File - Collinsville

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY

IEPA EXHIBIT

No. 44

Permittee: Coffeen Power Station
Permit Number: IL0000108
Reviewed By: Shu-Mei Tsai

Page 1 of 2

Date: Friday, July 1, 2016

ELG Comment Review Notes:

The Agency received an ELG comment letter dated June 22, 2016.

According to Illinois Power Generating Company (IPGC), the following items do not affect ELG:

1. The fly ash is currently managed dry.
2. The bottom ash transport waters are currently recycled and not discharged
3. All FGD wastewaters are currently recycled and not discharged.
4. Leachates from the onsite coal combustion residual (CCR) landfill are recycled onto the CCR landfill and not discharged.
5. FGMC or gasification wastewaters do not generated from the facility.

IPGC plans to take out of service of Ash Pond No.1 and would not receive any bottom ash transport waters after April 2019. However, IPGC will dewater the remaining bottom ash transport waster and discharge to Coffeen Lake. The dewatering process is preliminarily estimated to occur over a period of several months. Discharge of the dewatering wastewaters will be necessary to interfering with the Station's recycling of wastewaters and the closure schedule for the impoundment.

Coffeen recycles the combustion residual leachate from inactive Ash Pond No.2 to Coffeen Lake. Closing inactive Ash Pond No.2 will require and discharging the combustion residual leachate to Coffeen Lake to enable timely construction of the closure cap. Closure of Ash Pond No.2 is currently expected to be completed by October 2020. Therefore, the dewatering discharging is anticipated to begin during the 3rd quarter of 2017 and continue through the 2nd quarter of 2018.

Action:

The new Special Condition will be provided in the permit:

"SPECIAL CONDITION 17. USEPA finalized revisions to the Effluent Limitation Guidelines (ELG's) found at 40 CFR 423 – Steam Electric Point Source Category, which were published in the Federal Register on November 3, 2015. These revised ELG's became effective January 4, 2016. Bottom ash sluice waters, Flue Gas Desulfurization (FGD) wastewaters, and leachates from the onsite coal combustion residual landfill are currently generated onsite and recycled, and are not discharged.

40 CFR 257 will require the closure of one or more existing ash impoundments which are currently operated as part of waste water recycling efforts. These existing ash impoundments are to be taken out of service prior to April 1, 2019. Legacy wastewaters, as defined in the rule, are currently generated at the station and recycled. Bottom ash transport waters are part of these legacy wastewaters, and will cease being discharged to the existing ash impoundments by April, 2019.

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY

Permittee: Coffeen Power Station
Permit Number: IL0000108
Reviewed By: Shu-Mei Tsai

Page 2 of 2

Date: Friday, July 1, 2016

FGD Wastewaters and leachate from the coal combustion residual landfill will continue to be recycled and not discharged. The closure of the ash impoundments may require dewatering as part of the closure process. The permittee shall submit a modification request (if applicable) related to any potential discharge of legacy wastewaters contained in the ash impoundments, a minimum of six months prior to the April 1, 2019 removal from service date. “

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY

IEPA EXHIBIT
No. 45

Permittee: Coffeen Power Station
Permit Number: IL0000108
Reviewed By: Shu-Mei Tsai

Page 1 of 2

Date: Thursday, July 21, 2016

ELG Comment Review Notes:

The Agency sent a proposed Special Condition 17 by email to IPGC on July 8, 2016 as below:

"SPECIAL CONDITION 17. USEPA finalized revisions to the Effluent Limitation Guidelines (ELG's) found at 40 CFR 423 – Steam Electric Point Source Category, which were published in the Federal Register on November 3, 2015. These revised ELG's became effective January 4, 2016. Bottom ash sluice waters, Flue Gas Desulfurization (FGD) wastewaters, and leachates from the onsite coal combustion residual landfill are currently generated onsite and recycled, and are not discharged.

40 CFR 257 will require the closure of one or more existing ash impoundments which are currently operated as part of waste water recycling efforts. These existing ash impoundments are to be taken out of service prior to April 1, 2019. Legacy wastewaters, as defined in the rule, are currently generated at the station and recycled. Bottom ash transport waters are part of these legacy wastewaters, and will cease being discharged to the existing ash impoundments by April, 2019.

FGD Wastewaters and leachate from the coal combustion residual landfill will continue to be recycled and not discharged. The closure of the ash impoundments may require dewatering as part of the closure process. The permittee shall submit a modification request (if applicable) related to any potential discharge of legacy wastewaters contained in the ash impoundments, a minimum of six months prior to the April 1, 2019 removal from service date. "

The Agency got the response back from IPGC by email dated July 11, 2016. The permittee has made several changes to the proposed Special Condition 17. The significant change is the addition of proposed language related to the gypsum management facility (GMF) ponds – the gypsum stack (primary) pond and the recycle (secondary) pond. These ponds were only briefly mentioned in the letter dated June 22, 2016 to the Agency.

The email dated July 11, 2016 from Thomas Davis, it describes the issues, the concerns and future plans related to the potential gypsum stack closure in the site. Therefore, IPGC requests April 1, 2020 be identified as the ELG applicability date for complying with the requirements of the ELG rule at Coffeen Station. The new Special Condition 17 will be listed in the permit as below:

"SPECIAL CONDITION 17. USEPA finalized revisions to the Effluent Limitation Guidelines (ELG's) found at 40 CFR 423 – Steam Electric Power Generating Point Source Category, which were published in the Federal Register on November 3, 2015. These revised ELG's became effective January 4, 2016. Bottom ash transport waters, Flue Gas Desulfurization (FGD) wastewaters, and leachate from the onsite coal combustion residual landfill are currently generated onsite and recycled, and are not discharged.

The permittee anticipates that 40 CFR Part 257, Subpart D, will require the closure of the Station's active bottom ash impoundment (Ash Pond No. 1) and inactive ash impoundment (Ash Pond No. 2). The permittee currently directs bottom ash transport waters to Ash Pond No. 1, with those waters then recycled and not discharged. Ash Pond No. 1 is anticipated to be taken out of service by no later than April 1, 2019. Bottom ash transport waters in Ash Pond No. 1 that are generated before the April 1, 2019 removal from service date are legacy wastewaters as identified in the ELG rule and, subject to a permit

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY

Permittee: Coffeen Power Station
Permit Number: IL0000108
Reviewed By: Shu-Mei Tsai

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Date: Thursday, July 21, 2016

modification authorizing the discharge of such wastewaters, may be discharged in accordance with 40 CFR 423.13(k)(1)(ii). Pursuant to 40 CFR 423.13(k)(1)(i), there shall be no discharge of pollutants in bottom ash transport water generated on or after April 1, 2019.

40 CFR Part 257, Subpart D, also may require the closure of the Station's gypsum management facility (GMF) gypsum stack pond and/or GMF recycle pond. The permittee currently directs FGD wastewater to the GMF gypsum stack pond and GMF recycle pond, with those waters then recycled and not discharged. In the event closure of the GMF gypsum stack pond and/or GMF recycle pond is required by 40 CFR Part 257, Subpart D, the pond(s) is (are) anticipated to be taken out of service by no later than April 1, 2020. FGD wastewater in the GMF pond and GMF recycle pond that is generated before the April 1, 2020 removal from service date are legacy wastewaters as identified in the ELG rule and, subject to a permit modification authorizing the discharge of such wastewater, may be discharged in accordance with 40 CFR 423.13(g)(1)(ii). Discharges of FGD wastewater generated on or after April 1, 2020 must meet the effluent limitations in the table following 40 CFR 423.13(g)(1)(i).

The closure of Ash Pond No. 1, inactive Ash Pond No. 2, the GMF gypsum stack pond and/or GMF recycle pond may require dewatering as part of the closure process. The permittee shall submit a modification request (if applicable) related to any potential discharge of dewatering wastewaters contained in these impoundments a minimum of six months prior to April 1, 2019.

Leachate from the coal combustion residual landfill will continue to be recycled and not discharged."

Tsai, Shu-Mei

From: Bush, Jacquelyn <Jacquelyn.R.Bush@dynegy.com>
Sent: Friday, July 29, 2016 9:59 AM
To: LeCrone, Darin; Davis, Thomas L; Tsai, Shu-Mei
Cc: Romang, John C; Davis, Thomas L
Subject: Coffeen Power Station - NPDES permit IL0049191

Good Afternoon Darin and Shu-Mei;

Prior to issuing the Coffeen Power Station NPDES permit, we would like to change a contributory waste stream name for clarification.

We would like to change Outfall 002's contributory waste stream number 7 from Recycled pond level control to:

- 7. Bottom Ash (Ash Pond 1) Recycle Pond level control.

Thank you
Jacque

Jacquelyn R. Bush 
Sr Environmental Professional – Water and Waste Permitting
Environmental Compliance Group
DYNEGY OPERATING COMPANY
Mailing/Shipping: 1500 Eastport Plaza Drive
Collinsville, IL 62234
Office: 618-343-7885
Mobile: 618-823-8548
Fax: 618-343-7802
Email: jacquelyn.R.bush@dynegy.com

From: LeCrone, Darin [mailto:Darin.LeCrone@Illinois.gov]
Sent: Thursday, July 21, 2016 11:23 AM
To: Davis, Thomas L
Cc: Diericx, Rick; Tsai, Shu-Mei; Leskovsek, Andreas H; Mansker, Joe; Romang, John C; Bush, Jacquelyn
Subject: RE: Coffeen Power Station - Proposed ELG Compliance Condition

Yes, our intention will be to issue the permit as soon as we get the approval from Region 5. I will be contacting them early and often, so that we can ensure that it is issued no later than September.

Thanks,

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: Davis, Thomas L [mailto:Thomas.L.Davis@dynegy.com]
Sent: Thursday, July 21, 2016 11:21 AM
To: LeCrone, Darin

Cc: Diericx, Rick; Tsai, Shu-Mei; Leskovsek, Andreas H; Mansker, Joe; Romang, John C; Bush, Jacquelyn
Subject: RE: Coffeen Power Station - Proposed ELG Compliance Condition

Darin,

Thanks for your consideration of our request. We will be looking for the Coffeen reissued NPDES permit possibly before the end of August or in early September.

Tom

Thomas L. Davis, P.E.
Director, Environmental – Water and Wastewater Permitting
Environmental Compliance Group
Dynegy Operating Company
1500 Eastport Plaza Drive
Collinsville, IL 62234-6135
Tel. No. 618-343-7757

From: LeCrone, Darin [<mailto:Darin.LeCrone@Illinois.gov>]
Sent: Thursday, July 21, 2016 11:15 AM
To: Davis, Thomas L
Cc: Diericx, Rick; Tsai, Shu-Mei
Subject: RE: Coffeen Power Station - Proposed ELG Compliance Condition

Tom,

I looked over your proposed revisions to my proposed special condition 17 language for Coffeen, as well as your description of issues/concerns related to potential gypsum stack closure. I agree with the language you proposed, as it seems to meet the intent of my original draft, and adds in the legacy FGD wastewaters.

Thanks again for the quick review and response. I will be submitting the proposed draft permit to USEPA for final review today.

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

From: Davis, Thomas L [<mailto:Thomas.L.Davis@dynegy.com>]
Sent: Monday, July 11, 2016 3:49 PM
To: LeCrone, Darin
Cc: Diericx, Rick; Leskovsek, Andreas H; Mansker, Joe; Bahl, Lee B; Romang, John C; Bush, Jacquelyn
Subject: RE: Coffeen Power Station - Proposed ELG Compliance Condition

Darin,

In response to your July 8, 2016 e-mail request, you will see in the attached that we have made several changes to the draft Special Condition 17 that you sent to me. Most of the proposed changes are intended to be clarifying changes. However, one significant change is the addition of proposed language related to the gypsum management facility (GMF) ponds – the gypsum stack (primary) pond and the recycle (secondary) pond. These ponds were only briefly mentioned in our letter to you on June 22, 2016.

We are concerned that there is the possibility that one or both of these FGD CCR impoundments may need to close either because of the groundwater criteria or location restrictions of the USEPA CCR rule. If closure of these impoundments is required, alternate FGD wastewater systems would need to be designed, constructed, procured, permitted and commissioned to replace the existing FGD CCR impoundments. While neither of the FGD impoundments currently discharge to waters of the United States, closure of the FGD impoundments may require dewatering discharges (similar to the dewatering discussion in our June 22 letter). Given that any effort to close the FGD impoundments and reconfigure the Station's FGD wastewater flows would overlap with the reconfiguration work needed to address the Station's bottom ash transport water flows as discussed in our June 22 letter, and also involve more complex engineering and more complex construction/equipment installation alternatives, we preliminarily estimate that it may not be until April 1, 2020 that those alternate FGD wastewater/gypsum handling facilities will be ready to be placed into service. For example, conceptual integrated planning for reconfiguring the Station's FGD wastewater flows would be initially completed by mid- 2017, to be followed sequentially by detailed design engineering (to be completed by early 2018), procurement, contract award and permitting (to be completed by late 2018), construction (to be completed by late 2019) and commissioning (to be completed by April 1, 2020). Therefore, for FGD wastewater, we are requesting April 1, 2020 be identified as the ELG applicability date for complying with the requirements of the ELG rule at Coffeen Station.

Please call if you have questions.

Tom

Thomas L. Davis, P.E.
Director, Environmental – Water and Wastewater Permitting
Environmental Compliance Group
Dyneegy Operating Company
1500 Eastport Plaza Drive
Collinsville, IL 62234-6135
Tel. No. 618-343-7757

From: LeCrone, Darin [<mailto:Darin.LeCrone@Illinois.gov>]
Sent: Friday, July 08, 2016 2:13 PM
To: Davis, Thomas L
Cc: Tsai, Shu-Mei
Subject: Coffeen Power Station - Proposed ELG Compliance Condition

Tom,

Below is a special condition that we are proposing to include in the Coffeen permit to address required compliance with the new ELG's, taking into account facility plans as outlined in your company's June 22, 2016 letter. Please take a look at the proposed condition language and let us know what you think. We would like to be able to forward the proposed permit to USEPA by the close of business on Tuesday 7/12. If you could get us any comments you might have by then, that would be much appreciated.

"SPECIAL CONDITION 17. USEPA finalized revisions to the Effluent Limitation Guidelines (ELG's) found at 40 CFR 423 – Steam Electric Point Source Category, which were published in the Federal Register on November 3, 2015. These revised ELG's became effective January 4, 2016. Bottom ash sluice waters, Flue Gas Desulfurization (FGD) wastewaters, and leachates from the onsite coal combustion residual landfill are currently generated onsite and recycled, and are not discharged.

40 CFR 257 will require the closure of one or more existing ash impoundments which are currently operated as part of waste water recycling efforts. These existing ash impoundments are to be taken out of service prior to April 1, 2019. Legacy wastewaters, as defined in the rule, are currently generated at the station and recycled. Bottom ash transport waters are part of these legacy wastewaters, and will cease being discharged to the existing ash impoundments by April, 2019.

FGD Wastewaters and leachate from the coal combustion residual landfill will continue to be recycled and not discharged. The closure of the ash impoundments may require dewatering as part of the closure process. The permittee shall submit a modification request (if

applicable) related to any potential discharge of legacy wastewaters contained in the ash impoundments, a minimum of six months prior to the April 1, 2019 removal from service date. "

Thanks!

Darin E. LeCrone, P.E.
Manager, Industrial Unit
Division of Water Pollution Control
Illinois Environmental Protection Agency

217/782-0610

“SPECIAL CONDITION 17. USEPA finalized revisions to the Effluent Limitation Guidelines (ELG’s) found at 40 CFR 423 – Steam Electric Power Generating Point Source Category, which were published in the Federal Register on November 3, 2015. These revised ELG’s became effective January 4, 2016. Bottom ash transport waters, Flue Gas Desulfurization (FGD) wastewaters, and leachate from the onsite coal combustion residual landfill are currently generated onsite and recycled, and are not discharged.

The permittee anticipates that 40 CFR Part 257, Subpart D, will require the closure of the Station’s active bottom ash impoundment (Ash Pond No. 1) and inactive ash impoundment (Ash Pond No. 2). The permittee currently directs bottom ash transport waters to Ash Pond No. 1, with those waters then recycled and not discharged. Ash Pond No. 1 is anticipated to be taken out of service by no later than April 1, 2019. Bottom ash transport waters in Ash Pond No. 1 that are generated before the April 1, 2019 removal from service date are legacy wastewaters as identified in the ELG rule and, subject to a permit modification authorizing the discharge of such wastewaters, may be discharged in accordance with 40 CFR 423.13(k)(1)(ii). Pursuant to 40 CFR 423.13(k)(1)(i), there shall be no discharge of pollutants in bottom ash transport water generated on or after April 1, 2019.

40 CFR Part 257, Subpart D, also may require the closure of the Station’s gypsum management facility (GMF) gypsum stack pond and/or GMF recycle pond. The permittee currently directs FGD wastewater to the GMF gypsum stack pond and GMF recycle pond, with those waters then recycled and not discharged. In the event closure of the GMF gypsum stack pond and/or GMF recycle pond is required by 40 CFR Part 257, Subpart D, the pond(s) is (are) anticipated to be taken out of service by no later than April 1, 2020. FGD wastewater in the GMF pond and GMF recycle pond that is generated before the April 1, 2020 removal from service date are legacy wastewaters as identified in the ELG rule and, subject to a permit modification authorizing the discharge of such wastewater, may be discharged in accordance with 40 CFR 423.13(g)(1)(ii). Discharges of FGD wastewater generated on or after April 1, 2020 must meet the effluent limitations in the table following 40 CFR 423.13(g)(1)(i).

The closure of Ash Pond No. 1, inactive Ash Pond No. 2, the GMF gypsum stack pond and/or GMF recycle pond may require dewatering as part of the closure process. The permittee shall submit a modification request (if applicable) related to any potential discharge of dewatering wastewaters contained in these impoundments a minimum of six months prior to April 1, 2019.

Leachate from the coal combustion residual landfill will continue to be recycled and not discharged.”

Effluent Limitations and Monitoring

From the effective date of this permit until the expiration date, the effluent of the following discharge(s) shall be monitored and limited at all times as follows:

PARAMETER	LOAD LIMITS lbs/day DAF (DMF)		CONCENTRATION LIMITS mg/l		SAMPLE FREQUENCY	SAMPLE TYPE
	30 DAY AVERAGE	DAILY MAXIMUM	30 DAY AVERAGE	DAILY MAXIMUM		
Outfall 002: Coal Yard Settling Pond and Emergency Overflow Discharge (Intermittent Discharge)						
This discharge consists of:			Approximate Flow:			
1. Stormwater runoff from the coal yard and southwest plant yard area					Intermittent	
2. Raw water treatment plant wastes					0.06 MGD	
3. Coal crusher house sump pit discharge					Intermittent	
a. Non-chemical metal cleaning wastewater						
4. Ash dewatering bin overflows					Intermittent	
5. Tractor shed oil/water separator					0.005 MGD	
6. Coal recovery pond effluent					Intermittent	
7. Bottom Ash (Ash Pond 1) Recycle Pond level control*					Intermittent	
8. Ultrasonic resin cleaner backwash					0.01 MGD	
9. Coal unloading septic system					0.0002 MGD	
10. Coal Unloading Sumps					Intermittent	
a. Non-chemical metal cleaning wastewater						
11. Tripper room floor drains					0.003 MGD	
12. Limestone runoff pond emergency overflow					Intermittent	
a. Non-chemical metal cleaning wastewater						
13. FGD Maintenance Building Floor Drains					Intermittent	
a. Non-chemical metal cleaning wastewater						
Flow (MGD)	See Special Condition 1				1/Week	
pH	See Special Condition 2				1/Week	Grab
Total Suspended Solids			15.0	30.0	1/Week	24-Hour Composite
Oil and Grease			15.0	20.0	1/Week	Grab
Iron			2.0	4.0	1/Quarter	8-Hour Composite

*Emergency overflow from the recycle pond may be directed to outfall 001.