



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

FEB 22 2018

REPLY TO THE ATTENTION OF:

VIA E-MAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Patrick Coyle
Environmental Services
Duke Energy
139 E. Fourth Street, EM740
Cincinnati, OH 45202

Re: Final Decision on the Fundamentally Different Factors Variance Application for the Duke Energy Indiana, LLC Edwardsport IGCC Station

Dear Mr. Coyle:

The U.S. Environmental Protection Agency has concluded our review of the Duke Energy Indiana, LLC (Duke Energy) Edwardsport Integrated Gasification Combined Cycle Station Fundamentally Different Factors (FDF) Variance Application for effluent limitations specified for certain parameters in Title 40 of the Code of Federal Regulations (40 C.F.R.) § 423.13(j)(1)(i) pertaining to gasification wastewater.

EPA public noticed its tentative decision on the Edwardsport FDF variance on August 9, 2017 and accepted public comment through September 8, 2017. EPA has decided to grant a variance establishing alternative effluent limitations for mercury and total dissolved solids (TDS) for gasification wastewater at Edwardsport because Duke Energy's request satisfies the criteria in Clean Water Act section 301(n) and 40 C.F.R. § 125.31. Based on a thorough evaluation of Duke Energy's application and effluent data collected by Edwardsport since commencing operation, EPA is not granting a variance establishing alternative effluent limitations for arsenic as requested by Duke Energy, because all applicable data reflecting normal operation of the gasification system demonstrate compliance with the ELG limitations for arsenic at 40 C.F.R. § 423.13(j)(1)(i).

EPA requested concurrence from the Indiana Department of Environmental Management (IDEM) on its final decision regarding the FDF variance in a correspondence dated October 30, 2017. In a correspondence dated December 6, 2017, IDEM concurred with EPA's decision to approve alternative effluent limitations for mercury and TDS as well as its decision not to establish alternative limitations for arsenic.

EPA has enclosed the Response to Comments, and Final Decision Document summarizing the statutory requirements and federal regulations with respect to FDF variances, describing the

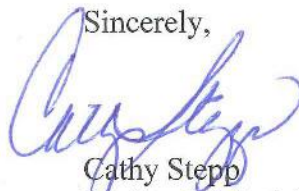
purported basis for Duke Energy's request, describing the data and analyses supporting EPA's final decision to grant alternative effluent limitations for mercury and TDS, and explaining EPA's final decision not to grant alternative effluent limitations for arsenic. EPA will make this document, its responses to comments, and the entire administrative record available to the public on its website at, <https://www.epa.gov/npdes-permits/epas-final-decision-duke-energys-fundamentally-different-factors-fdf-variance>. Alternatively, these documents may be reviewed by appointment at the Region V Office by contacting Mark Ackerman at R5NPDES@epa.gov or calling (312) 353-4145.

EPA will public notice the Final Decision to grant a variance for mercury and TDS and deny a variance for arsenic in the Vincennes Sun.

In accordance with 40 C.F.R. § 124.62(f), the Director may prepare a draft permit to incorporate the alternative effluent limitations for mercury and TDS. EPA's final decision regarding the FDF variance may be appealed as provided for at 40 C.F.R. § 124.64(b) and under the provisions of 40 C.F.R. § 124.19. 40 C.F.R. § 124.19(a)(3) requires a petition for review to be filed with the Clerk of the Environmental Appeals Board within 30 days after the Regional Administrator serves notice of the decision.

If you have any questions concerning this matter, please contact Kevin Pierard of my staff at (312) 886-4448, or your counsel may contact Mark Koller in the Office of Regional Counsel, at (312) 353-2591.

Sincerely,



Cathy Stepp
Regional Administrator

Enclosure

cc: Martha Clark Mettler, IDEM w/enclosure via email
Paul Higginbotham, IDEM w/enclosure via email