



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

OCT 30 2017

REPLY TO THE ATTENTION OF:

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CERTIFIED MAIL 7014 2870 0001 9581 1006
RETURN RECEIPT REQUESTED

Paul Higginbotham, Deputy Assistant Commissioner
Office of Water Quality
Indiana Department of Environmental Management
100 North Senate Avenue, IGCN 1255
Indianapolis, Indiana 46204-2251

Re: Concurrence from Indiana Department of Environmental Management on Duke Energy's
Fundamentally Different Factors Variance for the Edwardsport Integrated Gasification
Combined Cycle Plant (IN0002780)

Dear Mr. Higginbotham:

In a letter dated April 27, 2016, Duke Energy Indiana, LLC (Duke Energy) which owns and operates the Edwardsport Integrated Gasification Combined Cycle (IGCC) station (Edwardsport), submitted a request for a fundamentally different factors (FDF) variance from the effluent limitations specified for certain parameters in 40 C.F.R. § 423.13(j)(1)(i) for gasification wastewater. The U.S. Environmental Protection Agency (EPA) published effluent limitations guidelines and standards (ELGs) for the Steam Electric Power Generating Point Source Category on November 3, 2015 (80 Fed. Reg. 67,838). Duke Energy submitted the FDF variance request to the EPA and the Indiana Department of Environmental Management (IDEM) on April 27, 2016, within the time frame specified by the Clean Water Act (CWA) § 301(n)(2) and 40 C.F.R. § 122.21(m)(1).

IDEM submitted correspondence to the EPA dated October 4, 2016 stating that IDEM had concluded review of the FDF variance request and supports the alternative effluent limits proposed by Duke Energy in its FDF variance application. Recently, the EPA provided notice to the public of, and accepted comments on, its tentative decision to grant a variance from the effluent limitations for mercury and total dissolved solids (TDS) for gasification wastewater at Edwardsport because Duke Energy's request satisfies the criteria in CWA § 301(n) and 40 C.F.R. § 125.31. At the same time the EPA proposed not to establish alternative effluent limitations for arsenic. The basis for the EPA's decision is outlined in the tentative decision document (enclosed).

The EPA is in the process of finalizing its decision on the FDF variance and we anticipate the limits will be unchanged from the tentative decision. Prior to finalizing this decision, the EPA

needs concurrence from IDEM on the EPA's proposed alternative limits for mercury and TDS as well as the decision to not establish alternative limits for arsenic. See CWA § 301(n)(1).

Following receipt of your concurrence the EPA will provide notice to the public of its final decision and IDEM may modify the Edwardsport National Pollutant Discharge Elimination System permit to incorporate the alternative limits granted under the FDF variance.

I would appreciate receiving IDEM's concurrence as soon as possible, but no later than 30 days following receipt of this letter. Please include in the concurrence a citation to the authority upon which the signing individual may make the concurrence on behalf of IDEM. Please contact Mark Ackerman of my staff if you have any questions. Mr. Ackerman can be reached at (312) 353-4145 or at ackerman.mark@epa.gov.

Thank you for your assistance during the FDF evaluation.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Korleski", written in a cursive style.

Christopher Korleski
Director, Water Division

Enclosure