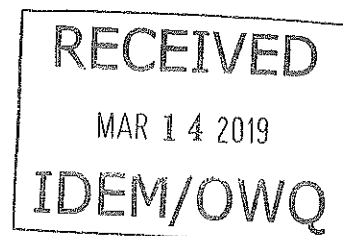




March 14, 2019

Mr. Gary Starks, Chief  
Indiana Department of Environmental Management  
NPDES Compliance Data Section  
Office of Water Quality  
100 North Senate Avenue  
Indianapolis, Indiana 46204



Re: Noncompliance Letter Response  
NPDES Permit No. IN0002887  
Indianapolis Power & Light Company - Petersburg Generating Station (IPL)

Dear Mr. Starks:

On February 18, 2019, IPL received a "Noncompliance Letter" (Letter) from IDEM related to the facility's NPDES Permit (Permit No. IN 0002887). The Letter includes a list of permit limit exceedances associated with facility NPDES Outfalls 001, 007, and 101 since September 2017. The Letter included a request to submit a compliance plan describing any corrective measures to be taken to assure compliance. In order to effectively address this request, IPL provides the following information and responses related to each facility NPDES Outfall as included in the Letter:

1. Outfall 101 (sanitation treatment system discharge): IPL installed a new sanitation treatment plant in the fall of 2018. This new treatment system operates differently than the previous plant and resulted in the need for facility operator training and acclimation to the new plant. IPL believes that the recent facility operator training will assure compliance with the NPDES permit effluent limitations associated with Outfall 101. Therefore, IPL does not believe a compliance plan is necessary.
2. Outfall 001 (OWW treatment system, stormwater, and legacy ash pond discharge): Pursuant to NPDES Agreed Order for Case No. 2013-21497-W (AO) and subsequent approved AO modifications, the new metal effluent limitations contained in the 2012 NPDES permit renewal did not become effective until September 29, 2017. In addition, the IDEM approved subsequent AO modifications included extensions of the compliance date for completion of startup and commissioning of the new flue gas desulphurization (FGD) zero-liquid discharge (ZLD) and Other Wastewater (OWW) Treatment systems from September 29, 2017 to April 11, 2018. As such, the September 2017 Selenium exceedances denoted in the Letter for Outfall 001 should not be considered exceedances as those sampling events were conducted prior to the effective compliance date of the new Selenium effluent limits. In addition, the Iron exceedances denoted in the Letter (November 2017; February 2018) occurred when the OWW and FGD ZLD treatment systems had not yet commenced startup. No other iron exceedances have occurred at Outfall 001 since the startup of the new treatment systems.

The one (1) 2018 Cadmium exceedance denoted in the Letter was attributed to a sampling method issue which was resolved with the lab immediately and resulted in no other Cadmium exceedances.

Regarding the one (1) 2018 Copper exceedance, IPL conducted a compliance assessment of this exceedance, which included a lab QC report on the control sample for contamination, review of the facility operations including the OWW treatment system, sample handling, and lab testing method. As a result of this assessment, IPL believes this exceedance is an anomaly and cannot be attributed to a specific event/issue. There have been no other Copper exceedances since this event.

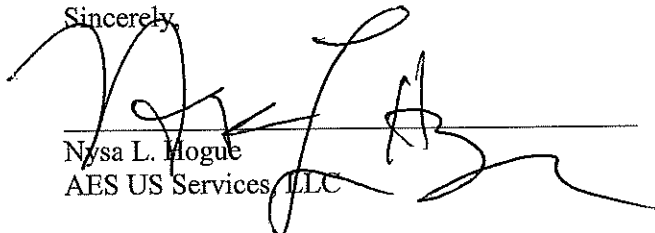
Based on the information provided above, IPL does not believe a compliance plan is necessary for Outfall 001 exceedances as the issues have been addressed and no other exceedances of the specified parameters have occurred.

3. Outfall 007 (Landfill, byproducts stormwater runoff discharge): In the fall 2018, IPL engaged a qualified vendor to assist in assessing the potential cause(s) and compliance options to address Outfall 007 nonconformance events. As a result of this action, IPL has already implemented improved housekeeping measures including but not limited to increased use of the facility's street sweeper, increased maintenance cleaning of the facility's wastewater (WW) and stormwater (SW) conveyance systems located near Outfall 007 (IUCS and gypsum handling areas), and improvements to truck hauling traffic patterns to minimize tracking at the facility. IPL is still evaluating all potential causes and provides the below high-level compliance plan next steps which are either ongoing or will be conducted in the near future:
- Conduct additional internal WW and SW sampling;
  - Develop list of potential sources contributing to nonconformance events;
  - Develop compliance options to address non-conformance events including but not limited to source elimination and treatment;
  - Select compliance options to address non-conformance events; and
  - Implement compliance strategy.

Please note that the one (1) 2018 Cadmium exceedance at Outfall 007 was attributed to a sampling method issue which was resolved with the lab immediately and resulted in no other Cadmium exceedances.

IPL appreciates the opportunity to provide this response submittal to IDEM. If you have any questions, please contact me at 317-864-5473.

Sincerely,

  
Nysa L. Hogue  
AES US Services, LLC

CC: Mr. Jeff Harter – IPL Petersburg  
Mr. John Arose – IPL Petersburg  
Mr. Justin Hall – IPL Petersburg  
Ms. Nicole Gardner – IDEM, OWQ, Industrial Permits  
Mr. Heath Dill – IDEM, OWQ, Compliance Data Section  
Mr. Greg Glover – IDEM, OWQ, Compliance Data Section