

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF THE DIRECTOR

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In the matter of administrative proceedings )  
against the CITY OF ESCANABA, a )  
corporation organized under the laws of the )  
State of Michigan and doing business at 2000 )  
Power Plant Road, in the City of Escanaba, )  
County of Delta, State of Michigan. )  
)

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AQD No. \_\_-2009

SRN: B1573

STIPULATION FOR ENTRY OF FINAL ORDER  
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality ("MDEQ") Air Quality Division ("AQD") against the City of Escanaba, ("City"), a Michigan corporation with an electric power generation unit ("Facility") located at 2000 Power Plant Road in the City of Escanaba, County of Delta, State of Michigan, with State Registration Number ("SRN") B1573. The MDEQ alleges that at the Facility the City failed to properly operate, perform acceptable daily calibrations, conduct and submit annual calibration error tests, maintain the Continuous Opacity Monitoring System ("COMS") and report COMS downtime for the EUBOILER No. 1 and for the EUBOILER No. 2 in violation of Title 40 of the Code of Federal Regulations ("CFR"), Part 64.7(b), 64.7(c), 64.9(a)(ii), which are also violations of the Michigan Administrative Code ("MAC"), 2001 AACS R 336.1213 (Rule 213) and Renewable Operating Permit (ROP) No. MI-ROP-B1573-2004 General Condition Nos. 25 and 27, Tables E2 and E3, Section III. The MDEQ also alleges that at the Facility, for EUBOILER No. 1 and the EUBOILER No. 2, the City failed to submit complete accurate semi-annual and annual ROP certifications of compliance regarding deviations, as cited herein and in the January 25, 2008 Letter of Violation ("LOV") and June 20, 2008 Notice. The City and MDEQ stipulate to the termination of this proceeding by entry of a Stipulation for Entry of a Final Order by Consent ("Consent Order").

The City and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451, ("Act 451"), MCL 324.101 et seq. is an act that controls pollution to protect the environment and natural resources in the State.

2. Article II, Pollution Control, Part 55 of Act 451 ("Part 55"), MCL 324.5501 et seq. provides for air pollution control regulations in this State.

3. The Michigan Department of Natural Resources ("MDNR") is authorized pursuant to Section 5503 of Part 55 to administer and enforce all provisions of Part 55. Section 301 of Part 3 provides the authority to the Director of the MDNR to delegate powers and duties.

4. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 1995-18. All statutory authority, powers, duties, functions and responsibilities of the MDNR AQD were transferred to the Director of the MDEQ ("Director").

5. The Director has delegated authority to the Chief of the AQD ("AQD Chief") to enter into this Consent Order.

6. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.

7. The City and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the City that the law has been violated.

8. This Consent Order becomes effective on the date of execution ("effective date of this Consent Order") by the AQD Chief.

9. The City shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

#### COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

##### 10. A. Permit

1. On and after the effective date of this Consent Order, the City shall fully comply with the terms and conditions of Renewable Operating Permit No. MI-ROP-B1573-2004 (ROP) General Conditions Nos. 25 and 27; and Table E-2 (EUBOILER #1) and Table E-3 (EUBOILER #2). The General Conditions, Table E-2 and Table E-3 of the ROP are attached as Exhibit A, incorporated by reference, and made an enforceable part of this Consent Order.

##### B. Emission Limitations

On and after the effective date of this Consent Order, emissions of opacity from the EUBOILER No. 1 and from the EUBOILER No. 2 shall not continue for more than two hours in excess of 20 percent opacity based upon 6-minute averages, excepting one 6-minute average per hour of not

more than 27 percent opacity as set forth in Rule 301(a) (R336.1301(a)), as specified in General Condition No. 2 of Exhibit A.

C. Operating Conditions

On and after the effective date of this Consent Order, the City shall not start up the EUBOILER No. 1 or the EUBOILER No. 2 unless the COMS is operating as specified in paragraph 11 of this Consent Order. In the event that the City becomes aware of a COMS failure while either EUBOILER No. 1 or EUBOILER No. 2 is operating, the City shall promptly investigate the malfunction and repair it expeditiously.

RECORDKEEPING, REPORTING, AND PERFORMANCE AUDITS

11. On and after the effective date of this Consent Order, except for routine maintenance and for malfunctions as defined in MAC R 336.1113(d), the City shall calibrate, operate and maintain a COMS on both the EUBOILER No. 1 and on the EUBOILER No. 2. These COMS shall be designed and installed in compliance with Performance Specification 1 of 40 CFR Part 60, Appendix B and calibrated, operated and maintained according to the procedures specified in 40 CFR Part 60, Section 60.13. The City shall also maintain accurate records of all COMS maintenance activities. This information shall be kept on file at the Facility for a period of at least five (5) years, and shall be made available to the MDEQ upon written or verbal request.

12. On and after the effective date of this Consent Order, the City shall perform an annual performance audit of the EUBOILER No. 1 and the EUBOILER No. 2 continuous opacity monitoring system using the procedures set forth in U.S. EPA Proposed Procedure 3–Quality Assurance Requirements for Continuous Opacity Monitoring Systems at Stationary Sources, Federal Register, May 2, 2003, Pages 24692-24700. The City shall notify the AQD Upper Peninsula District Supervisor and the AQD Technical Programs Unit Supervisor of the date and time of the annual audit, in writing, no less than 30 days prior. By August 15 annually, and within 60 days of completion, the City shall submit the results of the annual performance audit to the AQD Upper Peninsula District Supervisor and to the AQD Technical Programs Unit Chief, at the address listed in paragraph 15 below, as specified in Table E-2, Section IV.(3) and E-3 Section IV.(3) of Exhibit A.

13. On and after the effective date of this Consent Order, the City shall perform monitoring, recordkeeping, and reporting of deviations from permit requirements for the EUBOILER No. 1 and the EUBOILER No. 2, and submit semiannual reporting, by March 15 and September 15, to the AQD Upper

Peninsula District Supervisor and to the AQD Technical Programs Unit Chief, at the address listed in paragraph 15 below, as specified in Table E-2, Section IV.(2) and E-3 Section IV.(2) of Exhibit A.

14. On and after the effective date of this Consent Order, within 30 days following the end of each calendar quarter, the City shall submit quarterly excess emission reports (“EER”) and a summary of the COMS for the EUBOILER No. 1 and for the EUBOILER No. 2 using the format and procedures set forth in 40 CFR 60.7(c) and (d). The EER shall include the magnitude, in actual percent opacity, of each six minute average of opacity greater than the permit limit and the time period represented by such averages. It shall also include the cause of the excess emission, if known, periods of COMS downtime, any corrective action taken, and total operating time of the source(s). If no exceedances or COMS downtime occurred during the time period, the City shall report that fact. The quarterly excess emission reports shall be submitted to the AQD Upper Peninsula District Supervisor and to the AQD Technical Programs Unit Chief, at the address listed in paragraph 15 below. This information shall be kept on file at the Facility for a period of at least five (5) years, and shall be made available to the MDEQ upon written or verbal request.

15. Reports required to be submitted under this Consent Order shall be sent to the AQD Upper Peninsula District Supervisor, Department of Environmental Quality, 420 Fifth Street, Gwinn, Michigan 49841-3004; and to the AQD Technical Programs Unit Chief, Department of Environmental Quality, Constitution Hall, 3rd Floor North, 525 Allegan Street, Lansing MI 48933. Prior to termination of this Consent Order the continuing requirement to generate, and submit, these reports shall be incorporated in the Renewable Operating Permit.

#### GENERAL PROVISIONS

16. This Consent Order in no way affects the City’s responsibility to comply with any other applicable state and federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 et seq., Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan.

17. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

18. Within thirty (30) days after the effective date of this Consent Order, the City shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of

Michigan" and delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$45,500.00, which includes AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days of the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the Agreement Identification No. AQD3312 on the face of the check. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the City by law.

19. On and after the effective date of this Consent Order, if the City fails to comply with paragraph 10.B. of this Consent Order, the City is subject to stipulated fines of up to \$1,500.00 per day of violation. On and after the effective date of this Consent Order, if the City fails to comply with paragraphs 11, 12, 13 or 14 of this Consent Order, the City is subject to stipulated fines of up to \$2,000.00 per day of violation. On and after the effective date of this Consent Order, if the City fails to comply with any other provision of Exhibit A or this Consent Order, the City is subject to a stipulated fine of up to \$500.00 per violation. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the Agreement Identification No. AQD3312S on the face of the check. Payment of stipulated fines shall not alter or modify in any way the City's obligation to comply with the terms and conditions of this Consent Order.

20. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

21. To ensure timely payment of the settlement amount assessed in paragraph 18 and any stipulated fines assessed pursuant to paragraph 19 of this Consent Order, the City shall pay an interest payment to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest payment shall be determined at a rate of interest that is equal to one percent (1%) plus the average interest rate paid at auctions of 5-year United States treasury notes during the six months immediately preceding July 1 and January 1, as certified by the state treasurer, compounded

annually, and using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of an interest payment by the City shall be made to the State of Michigan in accordance with paragraph 18 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest payment owed by the City before any remaining balance is applied to a subsequent payment amount or interest penalty.

22. The City agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 18. The City also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 19 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the City agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

23. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

24. This Consent Order shall remain in full force and effect for a period of at least two (2) years. Thereafter, the Consent Order shall terminate only upon written notice of termination issued by the AQD Chief. Prior to issuance of a written notice of termination, the City shall submit a request, to the AQD Chief at the Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the City has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Upper Peninsula District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the Facility; and, (iv) such information as may be requested by the AQD Chief.

25. In the event the City sells or transfers the Facility, with SRN B1573, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the City shall also notify the AQD Upper Peninsula District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, the City must obtain the consent of the purchaser and/or transferee, in writing, to assume all of

the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Upper Peninsula District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

26. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

27. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which the Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

28. The City hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of the Facility located at 2000 Power Plant Road, in the City of Escanaba, Michigan. The City further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the City files for bankruptcy in the future. The City will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the City will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged, including requesting an order from the pertinent U.S. Bankruptcy Court designating the settlement amount and any future stipulated fines as exceptions to discharge pursuant to 11 U.S. Code Section 523(a)(7). The City, during and after any future bankruptcy

proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the City to the extent allowed by applicable bankruptcy law.

The undersigned certifies that he/she is fully authorized by the City to enter into this Consent Order and to execute and legally bind the City to it.

CITY OF ESCANABA

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_ Date: \_\_\_\_\_  
Signature

The above signatory subscribed and sworn to before me this \_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Notary Public

Approved as to Content:

Approved as to Form:

\_\_\_\_\_  
G. Vinson Hellwig, Chief  
AIR QUALITY DIVISION  
DEPARTMENT OF  
ENVIRONMENTAL QUALITY

\_\_\_\_\_  
Alan F. Hoffman, Section Head  
ENVIRONMENTAL REGULATION SECTION  
ENVIRONMENT, NATURAL RESOURCES,  
AND AGRICULTURE DIVISION  
DEPARTMENT OF ATTORNEY GENERAL

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

FINAL ORDER

The Chief of the Air Quality Division having had opportunity to review the Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that the Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

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G. Vinson Hellwig, Chief  
Air Quality Division

Dated: \_\_\_\_\_

**STATE OF MICHIGAN  
RENEWABLE OPERATING PERMIT**

Is Hereby Issued To:

***City of Escanaba Generating Station***

SRN: B1573

Located At:

***2000 Power Plant Road  
Escanaba, Michigan 49829***

Application Number: 200200066

Permit Number: MI-ROP-B1573-2004

Effective Date: July 1, 2004

Expiration Date: June 30, 2009

This permit is issued in accordance with and subject to Part 5506(3) of Article II, Chapter 1, Part 55 (Air Pollution Control) of P.A. 451 of 1994. Pursuant to Air Pollution Control Rule 210(1), this permit constitutes the permittee's authority to operate the major source identified above in accordance with the general conditions, special conditions and attachments contained herein. Operation of the major stationary source and all emission unit/process groups listed in the permit are subject to all applicable future or amended rules and regulations pursuant to P.A. 451 and the Clean Air Act.

This permit does not relieve the permittee from the responsibility to obtain the necessary permits to install pursuant to Air Pollution Control Rule 201 for new or modified process or process equipment. In addition, issuance of this Renewable Operating Permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.

Michigan Department of Environmental Quality

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Brian D. Brady, District Supervisor  
Air Quality Division

## A. General Requirements

For the purpose of this Renewable Operating Permit, the permittee is defined as any person who owns or operates a process or process equipment at a stationary source for which a Renewable Operating Permit has been issued. This permit is issued to the **City of Escanaba Generating Station**, hereinafter the permittee for this Renewable Operating Permit. The department is defined in R336.1104(d) as the Director of the Department of Environmental Quality or his or her designee.

### Enforceability

All conditions in this permit are both federally enforceable and state enforceable unless otherwise noted. Those requirements which are enforceable by the state only are designated by an asterisk. (R336.1213(5))

### General Conditions

1. A challenge by any person, the Administrator of the EPA, or the department to a particular condition or a part of this Renewable Operating Permit shall not set aside, delay, stay, or in any way affect the applicability or enforceability of any other condition or part of this Renewable Operating Permit. (R336.1213(1)(f))
2. Except as provided in subrules 2, 3, and 4 of R 336.1301, a person shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of a density greater than the most stringent of R 336.1301(1)(a) or (b) unless otherwise specified in this Renewable Operating Permit. The grading of visible emissions shall be determined in accordance with R 336.1303. (R336.1301(1) in pertinent part, 40 CFR 52.21(j))
  - a) A 6-minute average of 20% opacity, except for one 6-minute average per hour of not more than 27% opacity.
  - b) A limit specified by an applicable federal new source performance standard.
3. Any collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency. The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air. Transport of collected air contaminants in Priority I and II areas requires the use of material handling methods specified in R 336.1370(2). (R336.1370)
4. Any air cleaning device shall be installed, maintained, and operated in a satisfactory manner and in accordance with the Michigan Air Pollution Control rules and existing law. (R336.1910)
5. The department may require the owner or operator of any source of an air contaminant to conduct acceptable performance tests, at the owner's or operator's expense, in accordance with R 336.2001 and R 336.2003, under any of the conditions listed in R 336.2001(1). (R336.2001)
6. A change in ownership or operational control of a stationary source covered by a Renewable Operating Permit shall be made pursuant to R 336.1216(1). (R336.1219(3))
7. The permittee shall not cause or permit the emission of an air contaminant or water vapor in quantities that cause, alone or in reaction with other air contaminants, either of the following:
  - a) Injurious effects to human health or safety, animal life, plant life of significant economic value, or property.\* (R336.1901(a))  
\* **This requirement is state enforceable only.**
  - b) Unreasonable interference with the comfortable enjoyment of life and property.\* (R336.1901(b))  
\* **This requirement is state enforceable only.**

8. The permittee shall comply with all conditions of this Renewable Operating Permit. Any permit noncompliance constitutes a violation of Act 451 of 1994, as amended, Part 55, (Air Pollution Control) and is grounds for enforcement action, for permit revocation or revision, or for denial of the renewal of the Renewable Operating Permit. All terms and conditions of this Renewable Operating Permit that are designated as federally enforceable are enforceable by the Administrator of the EPA and by citizens under the provisions of the CAA. Any terms and conditions based on applicable requirements which are defined as "state only" are not enforceable by the EPA or citizens pursuant to the CAA. (R336.1213(1)(a))
9. It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this Renewable Operating Permit. (R336.1213(1)(b))
10. This Renewable Operating Permit may be modified, revised, or revoked for cause. The filing of a request by the permittee for a permit modification, revision, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition. Pursuant to R 336.1215 and R 336.1216 the permittee may make changes at a stationary source at his/her own risk. (R336.1213(1)(c))
11. The permittee shall furnish to the department, within a reasonable time, any information the department may request, in writing, to determine whether cause exists for modifying, revising, or revoking the Renewable Operating Permit or to determine compliance with this Renewable Operating Permit. Upon request, a person shall also furnish to the department copies of any records that are required to be kept as a term or condition of this Renewable Operating Permit. (R336.1213(1)(e))
12. The permittee shall allow the department, or an authorized representative of the department, upon presentation of credentials or other documents as may be required by law and upon stating the authority for and purpose of the investigation, to perform any of the following activities: (R336.1213(1)(d))
- a) Enter, at reasonable times, a stationary source or other premises where emissions-related activity is conducted or where records must be kept under the conditions of the permit.
  - b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit.
  - c) Inspect, at reasonable times, any of the following:
    - i) Any stationary source.
    - ii) Any process.
    - iii) Any process equipment, including monitoring and air pollution control equipment.
    - iv) Any work practices or operations regulated or required under the Renewable Operating Permit.
  - d) As authorized by Section 5526 of the Act, sample and monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.
13. The permittee shall pay fees consistent with the fee schedule and requirements pursuant to Part 5522 of Act 451, P.A. 1994. (R336.1213(1)(g))
14. This Renewable Operating Permit does not convey any property rights or any exclusive privilege. (R336.1213(1)(h))
15. For renewal of this Renewable Operating Permit, an administratively complete application shall be considered timely if it is received by the department not more than 18 months, but not less than 6 months, before the expiration date of the Renewable Operating Permit. (R336.1210(7))
16. For modifications to this Renewable Operating Permit, an administratively complete application shall be considered timely if it is received by the department in accordance with the time frames specified in R 336.1216. (R336.1210(9))
17. For changes to any process or process equipment covered by this Renewable Operating Permit that do not require a revision of the Renewable Operating Permit pursuant to R 336.1216, the permittee must comply with R 336.1215. (R336.1215 and R336.1216)

18. A Renewable Operating Permit shall be reopened by the department prior to the expiration date and revised by the department under any of the following circumstances:

a) If additional requirements become applicable to this stationary source with three or more years remaining in the term of the permit, but not if the effective date of the new applicable requirement is later than the Renewable Operating Permit expiration date. (R336.1217(2)(a)(i))

b) If additional requirements pursuant to Title IV of the CAA become applicable to this stationary source. (R336.1217(2)(a)(ii))

c) If the department determines the permit contains a material mistake, that information required by any applicable requirement was omitted, or that inaccurate statements were made in establishing emission limits or the terms or conditions of the permit. (R336.1217(2)(a)(iii))

d) If the department determines the permit must be revised to ensure compliance with the applicable requirements. (R336.1217(2)(a)(iv))

19. Any required performance testing shall be conducted in accordance with Rule 1001(2), Rule 1001(3), and Rule 1003. (R336.2001(2), R336.2001(3), and R336.2003(1))

20. Any required test results shall be submitted to the AQD in the format prescribed by the applicable reference test method within 60 days following the last date of the test. (R336.2001(4))

| <b>Table E-2</b>  |  |                       |                                 |                               |
|---|--|-----------------------|---------------------------------|-------------------------------|
| <b>EUBOILER#1 – Boiler #1</b>   |  |                       |                                 |                               |
| <b>EMISSION UNIT / PROCESS GROUP REQUIREMENTS</b>   |  |                       |                                 |                               |
| <b>EMISSION UNIT / PROCESS GROUP</b>  | EUBOILER#1 – Spreader stoker coal-fired Boiler #1 rated at 125,000 pounds of steam per hour, and used for electric power generation. Boiler #1 has a heat input capacity of approximately 178 million BTU per hour, and serves an electrical generator with a nameplate rating of 12.5 megawatts.  |                       |                                 |                               |
| <b>Flexible Grouping ID</b>   | N/A  |                       |                                 |                               |
| <b>I. DESIGN PARAMETERS</b>   |  |                       |                                 |                               |
| <b>Pollution Control Equipment</b>  | Multicyclone dust collector and electrostatic precipitator on Boiler #1; Primary and secondary cyclonic separators and air washer on ash conveying system; Baghouse on ash silo; Water spray on ash wetting drum.  |                       |                                 |                               |
| <b>Stack or Vent Parameters</b>   | Exhaust gases shall be discharged unobstructed vertically upwards unless otherwise noted.  |                       |                                 |                               |
|   | <b>Stack or Vent ID</b>  | <b>Minimum Height</b> | <b>Maximum Exhaust Diameter</b> | <b>Applicable Requirement</b> |
|   | SVSTACK1   | 150 feet              | 79 inches                       | R336.1201                     |
| <b>Other Design Parameters</b>  | N/A  |                       |                                 |                               |
| <b>II. MATERIAL USAGE AND EMISSION LIMITS</b>   |  |                       |                                 |                               |
| <b>Material</b>   | <b>Material Limitation</b>   |                       |                                 |                               |
| Coal  | 1) The coal burned in Boiler #1 shall not exceed a maximum sulfur content of 1.5% by weight, calculated on the basis of 12,000 BTU per pound for coal.<br>(R336.1401)  |                       |                                 |                               |
| <b>Pollutant</b>  | <b>Emission Limit</b>  |                       |                                 |                               |
| Particulate   | 1) The particulate emission from Boiler #1 shall not exceed 0.30 pounds per 1000 pounds of exhaust gases, corrected to 50% excess air.<br>(R336.1201, R336.1331)   |                       |                                 |                               |
| <b>III. COMPLIANCE EVALUATION</b>   |  |                       |                                 |                               |
| Records of all of the following shall be maintained on file for a period of 5 years. (R 336.1213(3)(b)(ii)) |  |                       |                                 |                               |
| <b>MONITORING AND RECORDKEEPING (R 336.1213(3))</b>   |  |                       |                                 |                               |
| <b>In Addition To General Requirements in Part A</b>  |  |                       |                                 |                               |
| <b>Continuous Emission Monitoring and Recordkeeping</b>   | 1) Whenever Boiler #1 is operating, the permittee shall operate, calibrate, and maintain a Continuous Opacity Monitoring System on Boiler #1, including a daily calibration and an annual calibration error test. The permittee shall keep a summary record of all six-minute averages of opacity greater than 20 percent, except for one 6-minute average per hour of not more than 27 percent opacity, including cause if known and corrective action taken. Also, the permittee shall keep a summary record of opacity monitor downtime. The permittee shall submit these summary records with the semiannual reports required under Reporting and Compliance Certification below.<br>(R336.1213(3), 40 CFR Part 64, 40 CFR 64.6(c)(2), 40 CFR 64.7, 40 CFR 64.9) |                       |                                 |                               |
| <b>Process Monitoring and Recordkeeping</b>   | N/A  |                       |                                 |                               |
| <b>Other Monitoring and/or Recordkeeping</b>  | 1) The permittee shall obtain and keep records of the sulfur and ash content of the coal burned in Boiler #1, as detailed in Appendix 4. The permittee shall submit these records with the semiannual reports required under Reporting and Compliance Certification below.<br>(R336.1213(3))   |                       |                                 |                               |

| <b>Table E-2</b><br><b>EUBOILER#1 – Boiler #1</b><br><b>EMISSION UNIT / PROCESS GROUP REQUIREMENTS</b>  |  |
|---|--|
| <b>TESTING AND RECORDKEEPING (R 336.1213(3))</b><br><b>In Addition to General Requirements in Part A</b>  |  |
| <b>Parameter to be Tested/Recorded</b>  | 1) Particulate   |
| <b>Method/Analysis</b>  | 1) Performance tests shall be conducted according to procedures and test methods specified or approved by the Air Quality Division. Not less than 30 days prior to testing, a testing plan shall be submitted to the Air Quality Division for review.<br>(R336.2001, R336.2003)  |
| <b>Frequency and Schedule of Testing/Recordkeeping</b>  | 1) The permittee shall conduct testing of particulate emissions from Boiler #1 within three years after the issue date of this permit. (R336.1213(3))  |
| <b>IV. REPORTING AND COMPLIANCE CERTIFICATION</b>   |  |
| <b>Reports and Schedules</b>  | 1) Prompt reporting of deviations pursuant to Condition 24 of Part A. See Appendix 8. (R336.1213(3)(c)(ii))<br><br>2) Semiannual reporting of required monitoring, recordkeeping, and deviations from permit requirements pursuant to Condition 23 of Part A. See Appendix 8. Due March 15 for reporting period July 1 to December 31 and September 15 for reporting period January 1 to June 30. (R336.1213(3)(c)(i))<br><br>3) Annual certification of compliance pursuant to Conditions 28 and 29 of Part A. See Appendix 8. Due annually by March 15 for the previous calendar year. (R336.1213(4)(c)) |
| <b>V. OPERATIONAL PARAMETERS</b>  |  |
| 1) The permittee shall equip and maintain each transformer-rectifier set of the electrostatic precipitator with a saturable core reactor, silicon-controlled rectifier linear reactor, or equivalent type automatic control system approved by the Air Quality Division. Each automatic controller shall be set to provide maximum power, or optimal power if operating in a sparking mode from its respective transformer-rectifier set. (R336.1213(2), R336.1330)<br><br>2) Upon detection of a 6-minute average opacity in excess of 20%, except for one 6-minute average per hour of not more than 27 percent opacity, the permittee shall restore operation of Boiler #1 and associated dust collection equipment to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practice for minimizing emissions. (R336.1213(2), R336.1301, R336.1331, R336.1910, 40 CFR 64.1, 40 CFR 64.7(d)) |  |
| <b>VI. OTHER REQUIREMENTS</b>   |  |
| 1) The air cleaning devices shall be maintained and operated in a satisfactory manner and in accordance with the Michigan Air Pollution Control Rules and existing law. The permittee shall carry out an Inspection and Maintenance Program including keeping of records of inspections done, problems found, repairs done, and/or corrective action taken.<br>(R336.1213(3), R336.1910)  |  |

\* This requirement is state enforceable only

| <b>Table E-3</b>  |  |                       |                                 |                               |
|---|--|-----------------------|---------------------------------|-------------------------------|
| <b>EUBOILER#2 – Boiler #2</b>   |  |                       |                                 |                               |
| <b>EMISSION UNIT / PROCESS GROUP REQUIREMENTS</b>   |  |                       |                                 |                               |
| <b>EMISSION UNIT / PROCESS GROUP</b>  | EUBOILER#2 – Spreader stoker coal-fired Boiler #2 rated at 125,000 pounds of steam per hour, and used for electric power generation. Boiler #2 has a heat input capacity of approximately 178 million BTU per hour, and serves an electrical generator with a nameplate rating of 12.5 megawatts.  |                       |                                 |                               |
| <b>Flexible Grouping ID</b>   | N/A  |                       |                                 |                               |
| <b>I. DESIGN PARAMETERS</b>   |  |                       |                                 |                               |
| <b>Pollution Control Equipment</b>  | Multicyclone dust collector and electrostatic precipitator on Boiler #2; Primary and secondary cyclonic separators and air washer on ash conveying system; Baghouse on ash silo; Water spray on ash wetting drum.  |                       |                                 |                               |
| <b>Stack or Vent Parameters</b>   | Exhaust gases shall be discharged unobstructed vertically upwards unless otherwise noted.  |                       |                                 |                               |
|   | <b>Stack or Vent ID</b>  | <b>Minimum Height</b> | <b>Maximum Exhaust Diameter</b> | <b>Applicable Requirement</b> |
|   | SVSTACK2   | 150 feet              | 79 inches                       | R336.1201                     |
| <b>Other Design Parameters</b>  | N/A  |                       |                                 |                               |
| <b>II. MATERIAL USAGE AND EMISSION LIMITS</b>   |  |                       |                                 |                               |
| <b>Material</b>   | <b>Material Limitation</b>   |                       |                                 |                               |
| Coal  | 1) The coal burned in Boiler #2 shall not exceed a maximum sulfur content of 1.5% by weight, calculated on the basis of 12,000 BTU per pound for coal.<br>(R336.1401)  |                       |                                 |                               |
| <b>Pollutant</b>  | <b>Emission Limit</b>  |                       |                                 |                               |
| Particulate   | 1) The particulate emission from Boiler #2 shall not exceed 0.30 pounds per 1000 pounds of exhaust gases, corrected to 50% excess air.<br>(R336.1201, R336.1331)   |                       |                                 |                               |
| <b>III. COMPLIANCE EVALUATION</b>   |  |                       |                                 |                               |
| Records of all of the following shall be maintained on file for a period of 5 years. (R 336.1213(3)(b)(ii)) |  |                       |                                 |                               |
| <b>MONITORING AND RECORDKEEPING (R 336.1213(3))</b>   |  |                       |                                 |                               |
| <b>In Addition To General Requirements in Part A</b>  |  |                       |                                 |                               |
| <b>Continuous Emission Monitoring and Recordkeeping</b>   | 1) Whenever Boiler #2 is operating, the permittee shall operate, calibrate, and maintain a Continuous Opacity Monitoring System on Boiler #2, including a daily calibration and an annual calibration error test. The permittee shall keep a summary record of all six-minute averages of opacity greater than 20 percent, except for one 6-minute average per hour of not more than 27 percent opacity, including cause if known and corrective action taken. Also, the permittee shall keep a summary record of opacity monitor downtime. The permittee shall submit these summary records with the semiannual reports required under Reporting and Compliance Certification below.<br>(R336.1213(3), 40 CFR Part 64, 40 CFR 64.6(c)(2), 40 CFR 64.7, 40 CFR 64.9) |                       |                                 |                               |
| <b>Process Monitoring and Recordkeeping</b>   | N/A  |                       |                                 |                               |
| <b>Other Monitoring and/or Recordkeeping</b>  | 1) The permittee shall obtain and keep records of the sulfur and ash content of the coal burned in Boiler #2, as detailed in Appendix 4. The permittee shall submit these records with the semiannual reports required under Reporting and Compliance Certification below.<br>(R336.1213(3))   |                       |                                 |                               |

| <b>Table E-3</b>   |   |
|--|---|
| <b>EUBOILER#2 – Boiler #2</b>  |   |
| <b>EMISSION UNIT / PROCESS GROUP REQUIREMENTS</b>  |   |
| <b>TESTING AND RECORDKEEPING (R 336.1213(3))</b><br><b>In Addition to General Requirements in Part A</b>   |   |
| <b>Parameter to be Tested/<br/>Recorded</b>  | N/A   |
| <b>Method/Analysis</b>   | N/A   |
| <b>Frequency and Schedule of<br/>Testing/Recordkeeping</b>   | N/A   |
| <b>IV. REPORTING AND COMPLIANCE CERTIFICATION</b>  |   |
| <b>Reports and Schedules</b>   | <p>1) Prompt reporting of deviations pursuant to Condition 24 of Part A. See Appendix 8. (R336.1213(3)(c)(ii))</p> <p>2) Semiannual reporting of required monitoring, recordkeeping, and deviations from permit requirements pursuant to Condition 23 of Part A. See Appendix 8. Due March 15 for reporting period July 1 to December 31 and September 15 for reporting period January 1 to June 30. (R336.1213(3)(c)(i))</p> <p>3) Annual certification of compliance pursuant to Conditions 28 and 29 of Part A. See Appendix 8. Due annually by March 15 for the previous calendar year. (R336.1213(4)(c))</p> |
| <b>V. OPERATIONAL PARAMETERS</b>   |   |
| <p>1) The permittee shall equip and maintain each transformer-rectifier set of the electrostatic precipitator with a saturable core reactor, silicon-controlled rectifier linear reactor, or equivalent type automatic control system approved by the Air Quality Division. Each automatic controller shall be set to provide maximum power, or optimal power if operating in a sparking mode from its respective transformer-rectifier set. (R336.1213(2), R336.1330)</p> <p>2) Upon detection of a 6-minute average opacity in excess of 20%, except for one 6-minute average per hour of not more than 27 percent opacity, the permittee shall restore operation of Boiler #2 and associated dust collection equipment to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practice for minimizing emissions. (R336.1213(2), R336.1301, R336.1331, R336.1910, 40 CFR 64.1, 40 CFR 64.7(d))</p> |   |
| <b>VI. OTHER REQUIREMENTS</b>  |   |
| <p>1) The air cleaning devices shall be maintained and operated in a satisfactory manner and in accordance with the Michigan Air Pollution Control Rules and existing law. The permittee shall carry out an Inspection and Maintenance Program including keeping of records of inspections done, problems found, repairs done, and/or corrective action taken. (R336.1213(3), R336.1910)</p>   |   |

\* This requirement is state enforceable only