

Bob EL.

VIA CERTIFIED MAIL

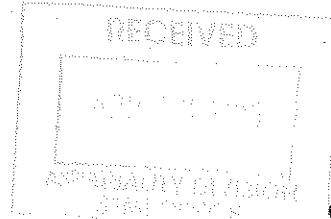
DTE Energy®

April 13, 2015



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Mr. Robert Elmouchi, Environmental Quality Analyst
Air Quality Division
Michigan Department of Environmental Quality
27700 Donald Court
Warren, MI 48092-2793



*Scanned &
Posted 4/16/15*

Re: DTE Electric Company Response to the MDEQ-AQD Violation Notice of March 31, 2015 for Placid Peaking Station (SRN: B2803)

Dear Mr. Elmouchi:

This letter is DTE Electric Company's response to the Michigan Department of Environmental Quality, Air Quality Division (MDEQ-AQD) Violation Notice (VN) dated March 31, 2015 sent to Placid Peaking Station. The VN cites the failure to conduct the annual continuous parameter monitoring system (CPMS) performance evaluation on the monitoring system associated with the catalyst installed at Placid. This was reported by DTE Electric Company as a deviation from permit condition IX.1 in the deviation report attached to the annual Renewable Operating Permit (ROP) compliance report submitted to DEQ-AQD in March. Permit condition IX.1 requires compliance with all applicable provisions of 40 CFR, Part 63, Subpart ZZZZ for Stationary Reciprocating Internal Combustion Engines (RICE MACT).

RICE MACT Requirement & Monitoring Plan

As stated above the ROP includes a condition of general compliance with the applicable conditions of the RICE MACT. Pursuant to 40 CFR 63.6625(b)(5), the RICE MACT requires at that a CPMS performance evaluation be conducted at least annually as prescribed in the site-specific monitoring plan, which is written and in place for Placid Peaking Station. The monitoring plan requires that a performance evaluation be done annually based on manufacturer's recommendations.

Summary of Deviation & Actions Taken

The deviation reported in March 2015 was discovered late in 2014. During a review of data and procedures associated with the CPMS at Placid, it was found that some items prescribed by the manufacturer of the monitoring equipment hadn't been performed annually as required by the CPMS

monitoring plan. To correct this missed evaluation and prevent reoccurrence, steps were taken as outlined below:

- CPMS Monitoring Plan Update – The CPMS monitoring plan was updated to better define the work necessary to perform the annual performance evaluation. This includes more detailed language related to what the manufacturer's recommendations are rather than a general statement of performing the work under those recommendations. The CPMS monitoring plan is attached as Attachment 1 for reference. Section 3.1.3 describes the equipment performance evaluation procedure.
- Preventive Maintenance (PM) Work Orders – After discovering the issue late last year, work orders were put in place within the DTE Energy Maximo work management system to ensure the annual performance evaluation tasks are performed. These PMs are automatically generated by Maximo at a pre-defined frequency (in this case annually) and assigned to the operating group responsible for peaking unit maintenance.

As part of the semi-annual compliance certification process, DTE Energy's Environmental Management & Resources (EM&R) organization performs an inquiry into the compliance status prior to submitting the semi-annual compliance report. These inquiries and reports have been submitted as required and the CPMS issue was submitted with the first subsequent report following discovery of the deviation. Subsequent inquiries will include investigation into ongoing compliance with the annual performance evaluation requirement and as well as all ROP requirements.

We anticipate that the corrective and preventive actions taken and described herein will bring this matter to a close. If you have any questions on the information contained herein or would like further information, please contact Mr. Barry Marietta at (313) 235-5611 or mariettab@dteenergy.com.

Sincerely,



Mark L. VanderHuevel
DTE Electric Company
Plant Manager – Fossil Generation, Peakers

Cc (electronic): C. Ethridge – MDEQ
S. Boyd – DTE Energy
B. Marietta – DTE Energy
M. Solo – DTE Energy
S. Down – DTE Energy
B. Kincaid – DTE Energy
J. Neruda – DTE Energy
F. LeForce – DTE Energy