

✓ MACTS

Scott

N2688 - RVN -

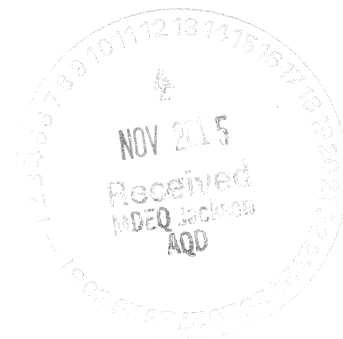
2015 1112

Diane

FORTISTAR Methane Group

Arbor Hills Energy LLC
10611 West 5 Mile Road ♦ Northville, Michigan 48167
Tel. (248) 305-7774 ♦ Fax. (248) 305-7879

November 10, 2015



Ms. Diane Kavanaugh Vetort
Air Quality Division
Michigan Department of Environmental Quality
301 East Lewis B. Glick Highway
Jackson, MI 49201

Subject: Response to MDEQ Violation Notice issued November 6, 2015
Arbor Hills Energy LLC
ROP No.: N2688-2011

Dear Ms. Kavanaugh Vetort;

We are in receipt of the above referenced Violation Notice regarding the apparent exceedance of the 12-month rolling emissions in tons per year for SO_x of both the EUTURBINE1-S3 (EGT-1) and the associated EUDUCTBURNER1-S3 and EUTURBINE3-S3 (EGT-3) and the associated EUDUCTBURNER3-S3. The emissions generated from these units are calculated by using the most recent stack test data.

As previously stated in our letter dated September 30, 2015, SO_x is not created due to the combustion of landfill gas in our turbines and is rather a bypass of total sulfur in the raw landfill gas that we have no control over. Arbor Hills Energy LLC contests MDEQ's choice of Method 6C to determine SO_x emission from the turbines and associated equipment. While the apparent benefit of Method 6C is that effluent concentration and values are available on a real-time basis, the analyzers are quick to fail in the field with the photo multiplier tube and associated components. Method 6C has a lot of variability in the calibration gases, calibrations, system bias, etc. that can add uncertainty and variability to the results. Oxygen, water vapor, nitrogen etc. can provide interference that can cause skewing of results obtained. Fuel gas analysis provides about 100 - 1,000 times better detection limits versus Method 6C since fuel gas analysis has detection limits in ppb versus ppm limits in Method 6C. The preference of fuel gas analysis versus Method 6C is also evident in the NSPS Subpart KKKK regulation which calls for a CEMS for NO_x analysis but requires use of ASTM fuel gas analytical methods for sulfur / total sulfur in the fuel gas versus measurement of SO₂ in the exhaust gas.

Most state agencies that we have worked with and all source test vendors we have spoken to recognize fuel gas analyses performed on the inlet gas as being more true and accurate versus Method 6C in the exhaust gas. Michigan DEQ also acknowledged and accepted the use of fuel gas analysis in the past years as all our source testing has been conducted using this method. Thus there is precedent for use of Fuel Analysis method of SO_x determination. Based on general industry and regulatory agency accepted practice, we request that the Michigan DEQ continue to rely on fuel analysis as in the past to document compliance of the turbines with the SO_x emission limit.

We have not relied on Method 6C to demonstrate compliance at this facility. Arbor Hills Energy LLC provided the 12-month rolling emissions for SO_x using the results from the fuel gas analysis which showed compliance with the permitted limits.

Ms. Kavanaugh Vetort
MDEQ
September 30, 2015

If you have any questions regarding this response, please contact Suparna Chakladar at your convenience at (951) 833-4153.

Sincerely,



Anthony J. Falbo
Senior Vice President - Operations
FORTISTAR Methane Group
Arbor Hills Energy LLC

cc: Scott Miller, DEQ
Lynn Fiedler, DEQ
Mary Ann Dolehanty, DEQ
Teresa Seidel, DEQ
Thomas Hess, DEQ
Suparna Chakladar, FMG



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
JACKSON DISTRICT OFFICE



DAN WYANT
DIRECTOR

November 6, 2015

CERTIFIED MAIL – 7007 3020 0002 7737 4498
RETURN RECEIPT REQUESTED

Mr. Anthony J. Falbo, Senior VP -Operations
FORTISTAR Methane Group
Arbor Hills Energy, LLC
5087 Junction Road
Lockport, NY 14094

Dear Mr. Falbo:

SRN: N2688, Washtenaw County

VIOLATION NOTICE

On May 13, 2015, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), received a performance test results report from Arbor Hills Energy, LLC (AHE) located at 10611 West 5 Mile Road, Northville, Michigan. The purpose of the performance testing conducted on March 10 and 11, 2015, was to determine AHE EUTURBINE1-S3 and EUTURBINE3-S3 (European Gas Turbines) compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the administrative rules and the conditions of Renewable Operating Permit (ROP) number MI-ROP-N2688-2011 and Consent Order AQD number 16-2015.

On September 11, 2015, the AQD issued a VN to AHE citing SO₂ Test Results that exceeded pounds per hour emission limits for two Turbines and associated ductburners in FGTURBINES-S3 and FGDUCTBURNERS-S3. The AQD requested AHE demonstrate their compliance status with the SO₂ 12-month rolling average emission limit as part of their VN response. On October 2, the AQD received AHE's response. AQD staff noted the following based on AHE submitted records:

Process Description	Rule/Permit Condition Violated	Comments
EUTURBINE1-S3 EUTURBINE3-S3	ROP, FGTURBINES-S3, Condition 1. SO ₂ tons per year (TPY) emission limit based on 12-month rolling average as determined at the end of each calendar month.	Company's calculations based on 5/13/15 test data indicate EUTURBINE1 exceeded SO ₂ limit of 12.5 TPY as of June 2015. EUTURBINE3 exceeded SO ₂ limit of 12.5 TPY as of April 2015.
EUDUCTBURNER1-S3 EUDUCTBURNER3-S3	ROP, FGDUCTBURNERS-S3, Condition 1. SO ₂ TPY	Company's calculations based on 5/13/15 test data

	emission limit based on 12-month rolling average as determined at the end of each calendar month.	indicate EUDUCTBURNER1 exceeded SO ₂ limit of 1.5 TPY as of March 2015. EUDUCTBURNER3 exceeded SO ₂ limit of 1.5 TPY as of April 2015.
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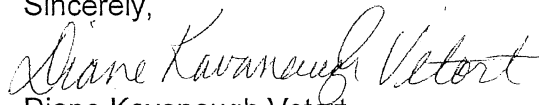
Arbor Hills Energy response included the AQD requested 12 month rolling SO₂ emission calculations based on the test result emission factors. This acknowledges AHE submitted two versions of their 12 month rolling calculations. The first set of Tables show calculated emissions based on the AHE fuel analysis factor and these indicate compliance with emission limits. The second set of Tables show calculated emissions based on the AQD accepted and calculated emission factors from Method 6C (M6C) test data and these indicate non-compliance with the emission limits cited here and in the September 11, 2015 Violation Notice.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by November 30, 2015. The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If Arbor Hills Energy believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above. If you have any questions regarding the violation or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Diane Kavanaugh Vetort
Senior Environmental Quality Analyst
Air Quality Division
517-780-7864

cc: Mr. Scott Miller, DEQ

cc/via e-mail: Ms. Suparna Chakladar, VP FORTISTAR Methane Group

Ms. Lynn Fiedler, DEQ

Ms. Mary Ann Dolehanty, DEQ

Ms. Teresa Seidel, DEQ

Mr. Thomas Hess, DEQ