



STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

STEVEN E. CHESTER  
DIRECTOR

April 7, 2009

Mr. Steve Wawro, Manager  
Next Generation  
Consumers Energy Company  
1945 West Parnall Road  
Jackson, Michigan 49201

Dear Mr. Wawro:

This letter is in reference to your Permit to Install application, identified as No. 341-07, State Registration Number B2840. The application was received on October 15, 2007, for the proposed installation and operation of a new 930 MW (gross power output) coal-fired Advanced Supercritical Pulverized Coal boiler, steam turbine generator, and auxiliary processes and equipment at the existing Karn-Weadock Generating Station located at 2742 North Weadock Highway, Essexville, Michigan.

As discussed during the March 30, 2009 meeting between the Department of Environmental Quality (DEQ) and Consumers, it is DEQ's intent to request an alternatives analysis upon the close of public comment. The requested analysis will evaluate alternatives to the proposed coal-fired power plant in response to comments received during the public comment period. Details of what to include in the alternatives analysis will be determined based upon public comment received. Although we are in the middle of the noticed public comment period, the DEQ has already received numerous comments regarding the need to consider alternatives to the proposed coal-fired power plant. The request for an alternatives analysis is consistent with state and federal law, specifically Rule 1817(2) of the Michigan Air Pollution Control Rules and Section 165(a)(2) of the Clean Air Act.

The DEQ and Michigan Public Service Commission (PSC) have recently entered into a Memorandum of Understanding (MOU) to identify each agency's role and responsibility regarding the alternatives analysis review and technical assistance. A copy of the MOU is enclosed for your information.

Upon submittal of the alternatives analysis, the DEQ and PSC will make the information available for public comment. Comments received on the analysis will be considered and responded to as part of the overall permit review process. As discussed at the March 30, 2009 meeting, completion of the review process and a decision on the application is anticipated by the last quarter of 2009.

If you have any questions, please feel free to contact Ms. Mary Ann Dolehanty, Acting Permit Section Supervisor, Air Quality Division, at 517-373-2098 or you may contact me.

Sincerely,

G. Vinson Hellwig, Chief  
Air Quality Division  
517-373-7069

ACTING

Enclosure

cc: Mr. Paul Proudfoot, PSC  
Ms. Mary Ann Dolehanty, DEQ