



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

May 17, 2011

Mr. Rich Olson, General Manager
Menominee Biomass Energy, LLC
701 Fourth Avenue
Menominee, Michigan 49858

Dear Mr. Olson:

This letter is in reference to your Permit to Install application identified as No. 102-10 (State Registration Number P0106) for the installation of a wood waste and mill residue co-generation facility located at 701 Fourth Avenue, Menominee, Michigan.

The public comment period ended on April 18, 2011. A public hearing was not requested and only one comment was received during the public comment period. The comment addressed the emissions of mercury from the proposed facility and requested that the permit contain provisions to reduce them by limiting the materials to be burned. During the public comment period, it was brought to our attention that the draft permit did not require submittal of the Wood Fuel Procurement and Monitoring Plan (WFPM) and the fugitive dust control program for Air Quality Division (AQD) approval. Changes have been made to the conditions which makes it explicit that the WFPM plan and the fugitive dust control program need to be submitted and approved by the AQD prior to operation of your facility.

Pursuant to the delegation of authority from the Director of the Michigan Department of Environmental Quality (MDEQ), I have approved Permit to Install No. 102-10.

This approval is based upon and subject to compliance with all administrative rules of the MDEQ and conditions stipulated in the enclosed supplement. Please review these conditions thoroughly so that you may take the actions necessary to ensure compliance with all of these conditions.

The equipment covered by this permit is also subject to the requirements of the Renewable Operating Permit (ROP) Program. Submittal of the M-001 and C-001 forms may be required prior to commencing operation. Additional information is included in the M-001 form instructions. The form and instructions are available on the internet at www.deq.state.mi.us/aps, or they can be obtained by contacting the Saginaw Bay District Office at 989-686-8025.

A change that is subject to Rule 215 subrules (1), (2), or (3) requires the submittal of the forms to the appropriate AQD Office. If a change is made pursuant to Rule 216, please submit the required forms to the AQD Permit Section.

Please note that the proposed facility covered under this permit may be subject to the requirements of the Prevention of Significant Deterioration (PSD) and Title V Greenhouse Gas Tailoring Rule ("the tailoring Rule") if actual construction does not begin prior to July 1, 2011. "Begin Actual Construction" means, in general, initiation of physical on-site construction activities on an emissions unit which are of a permanent nature. Such activities include, installation of building supports and foundations, laying underground pipework, and construction of permanent storage facilities. An applicability chart and other information to assist you in determining if your facility will be affected by the Tailoring Rule can be found on our website at <http://www.michigan.gov/air>. Select the Greenhouse Gases link under the Spotlight heading for access to additional information on this and related topics.

To help us improve the service we provide our customers, we encourage you to complete a *Permit to Install Customer Service Survey* on the following Web page:
http://www.michigan.gov/documents/deq/DEQEval_29-pti-customerservice_287285_7.html.

Please contact Mr. John Vial, AQD, at 517-241-7468 if you have any questions regarding this permit or you may contact me.

Sincerely,

Mary Ann Dolehanty, Supervisor
Permit Section
Air Quality Division
517 373-2098

Enclosures

cc/enc: Mayor George W. Krah, City of Menominee
Mr. Marc Kleiman, Menominee County Clerk
Ms. Natalene Cummings, Program Director, Forest County Potawatomi Community
Ms. Pamela Blakley, U.S. Environmental Protection Agency, Region 5
Mr. Constantine Blathras, U.S. Environmental Protection Agency, Region 5
Mr. Chris Hare, MDEQ
Mr. John Vial, MDEQ