



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT
LANSING



February 11, 2011

Mr. David G. Koster, Power Resources Director
Holland Board of Public Works – James DeYoung Plant
64 Pine Avenue
Holland, Michigan 49423

Dear Mr. Koster:

This letter is in reference to your Permit to Install (PTI) application, identified as No. 25-07, State Registration Number B2357. The application, received on January 17, 2007, is for the proposed installation of a 78-megawatt (MW) (gross) circulating fluidized bed solid fuel-fired boiler and associated cooling tower and material handling operations, and to cease operation/remove an 11.5 MW pulverized coal fired boiler from the existing James DeYoung Plant. The facility is located at 64 Pine Avenue, Holland, Michigan.

In its Opinion and Order dated December 15, 2010 in Case No. 10-2031-AA, the Ottawa County Circuit Court ruled that the alleged lack of need for the proposed facility alone, separate from air quality concerns, is not a legal basis to deny the permit application.¹ The proposed facility satisfies the air quality requirements the DNRE is to apply to HBPW's permit application pursuant to the Circuit Court's Opinion and Order. This is regardless of whether HBPW's need for generating capacity over time may ultimately turn out to be less than HBPW forecasts. Therefore, Permit to Install No. 25-07 has been approved.

The application was submitted under Michigan's state implementation plan and the federal Clean Air Act (CAA). The proposal was subject to the permitting requirements of the state and federal Prevention of Significant Deterioration (PSD) provisions. Pursuant to state and federal requirements, the DNRE held a public comment period on the proposed conditional approval of the permit and Notice of a case-by-case Maximum Achievable Control Technology (MACT) approval. The public comment period ended on January 30, 2009, with public hearings held on January 12 and 13, 2009. Comments were received during the comment period and at the public hearings. This approval also provides notification pursuant to Title 40 of the Code of Federal Regulations (CFR), Part 63.43(h)(2)(i) of final Notice of MACT approval for PTI No. 25-07.

As a part of this approval, staff has revised and added conditions to the permit to address certain information received during the public participation process and the subsequent analysis of that information.

The Air Quality Division (AQD) has prepared the enclosed Response to Comments (RTC) Document, which provides our responses to comments received during the public comment period and at the public hearing. It also identifies the special conditions that have been modified and provides our rationale for modifying the proposed special conditions. These changes are listed in Section II of the RTC document. The RTC document, the Permit Terms and Conditions, and the Interested Party Letter are also available at www.deq.mi.us/aps/cwerp.shtml.

¹ Case No. 10-2031-AA was consolidated with Case No. 10-01973-CE).

This approval is based upon and subject to compliance with all administrative rules of the DNRE 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 enclosed M-001 and C-001 forms may be required prior to commencing operation. A change that is subject to Rule 215 subrules (1), (2), or (3), promulgated pursuant to Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, requires the submittal of the forms to the appropriate AQD District Office. If a change is made pursuant to Rule 216, please submit the required forms to the AQD Permit Section.

Additional information is included in the M-001 form instructions which are available on the Internet or can be obtained by contacting the Grand Rapids District Office at 616-356-0500. The AQD permit web page is located at <http://www.deq.state.mi.us/aps>.

Please contact Ms. Mary Ann Dolehanty, Permit Section Supervisor, at 517-373-2098 if you have any questions regarding this permit, or you may contact me.

Sincerely,

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

Enclosures

cc/enc: Mayor Albert McGeehan, City of Holland
Ms. Joyce A. Watts, Allegan County Clerk
Honorable Laurel Broten, Ontario Ministry of the Environment
Mr. Mike Moroney, Ontario Ministry of the Environment
Ms. Pamela Blakley, U.S. Environmental Protection Agency, Region 5
Mr. Constantine Blathras, U.S. Environmental Protection Agency, Region 5
Mr. James Warner, Minnesota Pollution Control Agency
Mr. Keith Pierce, Wisconsin Bureau of Air Management
Ms. Laurel Kroack, Illinois EPA
Mr. Robert Hodanbosi, Ohio EPA
Ms. Joyce E. Epps, Pennsylvania Bureau of Air Quality Control
Mr. Eric Wade, New York State Department of Environmental Conservation
Mr. Matthew Stuckey, IN Department of Environmental Management
Ms. Phyllis Green, Isle Royale National Park Superintendent
Mr. Mark Vaniman, Seney National Wildlife Refuge Manager
Ms. Heidi Hollenbach, DNRE
Mr. Vrajesh Patel, DNRE