

SUPPLEMENT to PERMIT No. 183-99A  
Modular Power Systems, L.L.C.  
Chelsea, Michigan  
May 18, 2000

GENERAL CONDITIONS

1. Rule 201(1) - The process or process equipment covered by this permit shall not be reconstructed, relocated, altered, or modified, unless a Permit to Install authorizing such action is issued by the Department, except to the extent such action is exempt from the Permit to Install requirements by any applicable rule.
2. Rule 201(4) - If the installation, reconstruction, relocation, or alteration of the equipment for which this permit has been approved has not commenced within 18 months, or has been interrupted for 18 months, this permit shall become void unless otherwise authorized by the Department. Furthermore, the person to whom this permit was issued, or the designated authorized agent, shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Environmental Quality, P.O. Box 30260, Lansing, Michigan 48909, if it is decided not to pursue the installation, reconstruction, relocation, or alteration of the equipment allowed by this Permit to Install.
3. Rule 201(6)(a) - If this Permit to Install is issued for a process or process equipment located at a stationary source that is subject to the Renewable Operating Permit program requirements pursuant to R 336.1210, trial operation is allowed by this permit if the equipment performs in accordance with the terms and conditions of this Permit to Install and until the appropriate terms and conditions of this Permit to Install have been incorporated into the Renewable Operating Permit. Upon incorporation of the appropriate terms and conditions into the Renewable Operating Permit, this Permit to Install shall become void.
4. Rules 201(6)(b) - If this Permit to Install is issued for a process or process equipment located at a stationary source that is not subject to the Renewable Operating Permit program requirements pursuant to R 336.1210, operation of the process or process equipment is allowed by this permit if the equipment performs in accordance with the terms and conditions of this Permit to Install.
5. Rule 201(8) and Section 5510 of Act 451, P.A. 1994 - The Department may, after notice and opportunity for a hearing, revoke this Permit to Install if evidence indicates the process or process equipment is not performing in accordance with the terms and conditions of this permit or is violating the Department's rules or the Clean Air Act.
6. Rule 219 - The terms and conditions of this Permit to Install shall apply to any person or legal entity that now or hereafter owns or operates the process or process equipment at the location authorized by this Permit to Install. If the new owner or operator submits a written request to the Department pursuant to R 336.1219 and the Department approves the request, this permit will be amended to reflect the change of ownership or operational control. The request must include all of the information required by subrules (1)(a), (b) and (c) of R 336.1219. The written request shall be sent to the District Supervisor, Air Quality Division, Michigan Department of Environmental Quality.

7. Rule 901 - Operation of this equipment shall not result in the emission of an air contaminant which causes injurious effects to human health or safety, animal life, plant life of significant economic value, or property, or which causes unreasonable interference with the comfortable enjoyment of life and property.
8. Rule 912 - The owner or operator of a source, process, or process equipment shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant in excess of standards for more than one hour, or of any air contaminant in excess of standards for more than two hours, as required in this rule, to the District Supervisor, Air Quality Division. The notice shall be provided not later than two business days after start-up, shutdown, or discovery of the abnormal condition or malfunction. Written reports, if required, must be filed with the District Supervisor within 10 days, with the information required in this rule.
9. Approval of this permit does not exempt the person to whom this permit was issued from complying with any future applicable requirements which may be promulgated under Part 55 of Act 451, P.A. 1994 or the Clean Air Act.
10. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.
11. Operation of this equipment may be subject to other requirements of Part 55 of Act 451, P.A. 1994, and the rules promulgated thereunder.
12. Rule 301 - Except as provided in subrules (2) and (3) or unless the special conditions of the Permit to Install include an alternate opacity limit established pursuant to subrule (4) of R 336.1301, a person shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of density greater than the most stringent of the following. The grading of visible emissions shall be determined in accordance with R 336.1303.
  - a) A six-minute average of 20% opacity, except for one 6-minute average per hour of not more than 27% opacity.
  - b) A visible emission limit specified by an applicable federal new source performance standard.
  - c) A visible emission limit specified as a condition of this permit to install.
13. Rule 370 - Collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency. The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air. Transport of collected air contaminants in Priority I and II areas requires the use of material handling methods specified in R 336.1370(2).

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14. Rule 285 - Except as allowed by Rule 285 (a), (b), and (c), applicant shall not substitute any fuels, coatings, nor raw materials for those described in the application and allowed by this permit, nor make changes to the process or process equipment described in the application, without prior notification to and approval by the Air Quality Division.
15. The Department may require the applicant to conduct acceptable performance tests, at the applicant's expense, in accordance with R 336.2001 and R 336.2003, under any of the conditions listed in R 336.2001.

SPECIAL CONDITIONS  
 May 18, 2000  
 (9 Special Conditions)

1. Emission Unit Identification

<b>Emission Unit</b>	<b>Emission Unit Description</b>	<b>Stack Identification</b>
EUENGINE1	1135 kW diesel engine and generator set	SVENGINE1
EUENGINE2	1135 kW diesel engine and generator set	SVENGINE2
EUENGINE3	1135 kW diesel engine and generator set	SVENGINE3

Flexible Group Identification

<b>Flexible Group</b>	<b>Emission Units Included in Flexible Group</b>
FGENG1-3	EUENGINE1 EUENGINE2 EUENGINE3

2. The sulfur content of the fuel oil shall not exceed 0.05% by weight on an annual average. This condition is necessary to ensure that the facility is not subject to the federal Acid Rain Program, 40 CFR Part 72.7.
3. The nitrogen oxides, as nitrogen dioxide (NO<sub>2</sub>), emission rate from FGENG1-3 shall not exceed 114.8 pounds per hour nor 89.0 tons per 12-month rolling time period. This is based on an emission factor of 458 pounds NO<sub>2</sub> per 1000 gallons of fuel oil used. Applicant shall calculate the tons of nitrogen oxide emissions, as NO<sub>2</sub>, by the end of each calendar month for the previous 12-month time period. Monthly NO<sub>x</sub> calculations and the previous 12-month emissions shall be recorded in a form equivalent to the attached Table 1. These records shall be obtained for the purpose of compliance demonstration, and shall be kept on file for a period of at least five years and made available to the Air Quality Division (AQD) upon request. The pound per hour limit is necessary to ensure compliance with 40 CFR 52.21 paragraphs c and d. The ton per year limit is necessary to ensure that the facility is not a major stationary source as defined in 40 CFR 52.21 and Rule 211 (a)(ii) and to ensure compliance with Rules 205 (1)(a) and 205 (3).
4. The carbon monoxide (CO) emission rate from FGENG1-3 shall not exceed 20.9 tons per 12-month rolling time period. This is based on an emission factor of 108 pounds CO per 1000 gallons of fuel oil used. Applicant shall calculate the tons of CO by the end of each calendar month for the previous 12-month time period. Monthly CO calculations

- and the previous 12-month emissions shall be recorded in a form equivalent to the attached Table 1. These records shall be obtained for the purpose of compliance demonstration, and shall be kept on file for a period of at least five years and made available to the AQD upon request. This condition is necessary to ensure that the facility is not a major stationary source as defined in Rule 211 (a)(ii).
5. The exhaust gases from FGENG1-3 shall be discharged unobstructed vertically upwards to the ambient air from three stacks (SVENGINE1-SVENGINE3), each with a maximum diameter of 14.0 inches at an exit point not less than 30.0 feet above ground level. This condition is necessary to ensure compliance with 40 CFR 52.21 paragraphs c and d.
  6. Applicant shall not fire more than 388,824 gallons per year of fuel oil in FGENG1-3, based on a 12-month rolling time period as determined at the end of each calendar month. Monthly records of the amount of fuel used shall be recorded in a form equivalent to the attached Table 1. These records shall be maintained for the purpose of compliance demonstration, and shall be kept on file for a period of at least five years and made available to the AQD upon request. This condition is necessary to ensure that the facility is not a major stationary source as defined in 40 CFR 52.21 and Rule 211(a)(ii) and to ensure compliance with Rules 205(1)(a) and (3).
  7. Applicant shall keep a complete record of fuel oil specifications or fuel oil analysis for each delivery of fuel oil. These records shall be maintained for a period of at least five years and made available to the AQD upon request. The applicant shall collect and analyze a fuel oil sample once every 12 months for density, BTU/gallon or BTU/pound and percent sulfur content, by weight, using an EPA approved test method. This condition is necessary to ensure that the facility is not subject to the federal Acid Rain Program, 40 CFR 72.7 and to ensure compliance with Rule 401.
  8. Within 180 days after commencement of trial operation, verification of NO<sub>2</sub> emission rates from one of the three engines by testing, at owner's expense, in accordance with Department requirements, will be required. Verification of emission rates includes the submittal of a complete report of the test results. No less than 45 days prior to testing, a complete stack testing plan must be submitted to the Air Quality Division. The final plan must be approved by the Air Quality Division prior to testing. (Rules 1001, 1003, and 1004)
  9. The total capacity of each emission unit shall not exceed 25 Megawatts. This condition is necessary to ensure that the facility is not subject to the federal Acid Rain Program, 40 CFR Part 72.7.

**Table 1.  
 12-Month Rolling Time Period Emissions  
 Based on Fuel Oil Usage**

	<b>A</b>	<b>B</b>	<b>C = A x B</b>
<b>MONTH</b>	<b>FUEL USED (gallons / month)</b>	<b>EMISSION FACTOR FOR NO<sub>x</sub> AND CO (pound pollutant / gallons of fuel)</b>	<b>NO<sub>x</sub>, CO EMISSIONS (pounds / month)</b>
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

- D** Total tons of pollutant emitted this month ( $D = C / 2000$ )
- E** Total tons of pollutant emitted 11 previous months
- F** Total pollutant emitted 12-month rolling time period ( $F = D + E$ )
- G** Annual permitted limit, tons/year

**F must be less than or equal to G**