



STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

STEVEN E. CHESTER
DIRECTOR

December 29, 2009

Mr. Steven T. Wawro, Manager
Next Generation
Consumers Energy
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) for a new 930 MW (gross power output) coal-fired boiler, steam turbine generator, and auxiliary processes and equipment located at 2742 North Weadock Highway, Essexville, Michigan.

Pursuant to state and federal requirements, the Michigan Department of Environmental Quality (MDEQ) held an extended public comment period on its proposed conditional approval of the permit. The public comment period began on March 3, 2009, ended on May 20, 2009, and included public hearings on April 14 and 15, 2009. The Air Quality Division (AQD) received thousands of written and verbal comments during the public comment period.

After careful consideration of the issues and pursuant to the delegation of authority from the Director of the MDEQ, I have approved Permit to Install No. 341-07, with modifications made to the proposed permit. The modifications were made based on information received during the public participation process and the subsequent analysis of that information.

The AQD has prepared the enclosed Response to Comments (RTC) Document, which provides the MDEQ's responses to comments received during the public comment period and at the public hearing. It also identifies special conditions which have been modified and provides the rationale for the modification. The 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.state.mi.us/aps/cwerp.shtml.

The final permit decision shall become effective February 2, 2010, unless a timely request for review related to the notification of the Federal Land Manager prescribed in Rule 1816 is filed by 4:30 P.M. Eastern Standard Time on February 1, 2010, with the Environmental Appeals Board (EAB) of the United States Environmental Protection Agency (USEPA) pursuant to Title 40 of the Code of Federal Regulations (CFR), Parts 124.15 and 124.19. The EAB is the final federal decision maker on administrative appeals under the federal Prevention of Significant Deterioration (PSD) program. The EAB has authority to hear permit appeals related to the federal program. Therefore, an appeal of my decision related to Rule 1816 may be filed with the EAB. The decision to accept and review an appeal is at the discretion of the EAB. Permit appeals are governed primarily by procedural regulations of 40 CFR, Part 124. Additional information regarding the appeal process may be obtained by either contacting the EAB, at 202-501-7060, or visiting their web site at www.epa.gov/eab.

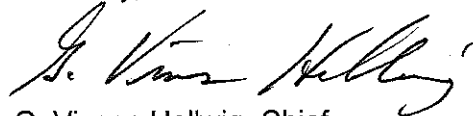
This approval is based upon and subject to compliance with all administrative rules of the MDEQ and conditions stipulated in the enclosed supplement. Please review these conditions thoroughly so that you may take the actions necessary to ensure compliance with all of these conditions.

The equipment covered by this permit is also subject to the requirements of the Renewable Operating Permit (ROP) Program. Submittal of the 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 Saginaw Bay District Office at 989-686-8025. The AQD permit web page is located at <http://www.deq.state.mi.us/aps>.

Please contact Mr. Robert McCann, MDEQ Press Secretary, at 517-373-7917 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: Mr. Terrence Spegel, Hampton Township Supervisor
Ms. Cynthia A. Luczak, Bay County Clerk
Ms. Pamela Blakley, U.S. Environmental Protection Agency, Region 5
Ms. Laura Cossa, U.S. Environmental Protection Agency, Region 5
Mr. Robert McCann, MDEQ
Mr. Chris Hare, MDEQ
Ms. Mary Ann Dolehanty, MDEQ
Mr. David Riddle, MDEQ