



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



STEVEN E. CHESTER
DIRECTOR

December 29, 2009

Dear Interested Party:

Thank you for your interest regarding the Permit to Install application submitted by Consumers Energy, to the Michigan Department of Environmental Quality (MDEQ), for the installation and operation of a new 930 megawatt (gross power output) coal-fired boiler, steam turbine generator, and auxiliary processes and equipment at the existing Karn-Weadock Generating Station. The facility is located at 2742 North Weadock Highway, Essexville, Michigan.

Pursuant to state and federal requirements, the 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.

As part of the permit issuance Consumers Energy will retire up to seven of their oldest coal plants, totaling 958 megawatts of existing generating capacity. This requirement is incorporated into a plan which is an integral part of the permit. As part of the permit, the plan is legally enforceable. The operation of the new boiler in conjunction with the retirement of these existing coal-fired boilers will significantly reduce air emissions throughout Michigan, including up to 32,000 tons per year of sulfur dioxide, 1,450 tons per year of fine particulate, 8,800 tons per year of nitrogen oxides, 700 pounds per year of lead, and 438 pounds per year of mercury.


The Response to Comments (RTC) Document 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 and the Permit Terms and Conditions are 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. This letter constitutes service of notice of my action. 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.

Thank you for your input regarding our review of this permit application. If you have any questions, please contact Mr. Robert McCann, MDEQ Press Secretary, at 517-373-7917.

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, USEPA, Region 5
Ms. Laura Cossa, USEPA, Region 5
Mr. Robert McCann, MDEQ
Mr. Chris Hare, MDEQ
Ms. Mary Ann Dolehanty, MDEQ
Mr. Dave Riddle, MDEQ