

State Registration Number
B2795

Michigan Department of Environmental Quality
Air Quality Division
**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number
MI-ROP-B2795-2011

Detroit Edison Colfax Peakers

SRN: B2795

Located at

4025 Gregory Road, Fowlerville, Michigan 48836

Permit Number: MI-ROP-B2795-2011

Staff Report Date: May 23, 2011

This Staff Report is published in accordance with Sections 5506 and 5511 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Specifically, Rule 214(1) requires that the Michigan Department of Environmental Quality (DEQ), Air Quality Division (AQD) prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

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Purpose

Major stationary sources of air pollutants, and some non-major sources, are required to obtain and operate in compliance with a ROP pursuant to Title V of the federal Clean Air Act of 1990 and Michigan's Administrative Rules for air pollution control pursuant to Section 5506(1) of Act 451. Sources subject to the ROP program are defined by criteria in Rule 211(1). The ROP is intended to simplify and clarify a stationary source's applicable requirements and compliance with them by consolidating all state and federal air quality requirements into one document.

This report, as required by Rule 214(1), sets forth the applicable requirements and factual basis for the draft permit terms and conditions including citations of the underlying applicable requirements, an explanation of any equivalent requirements included in the draft permit pursuant to Rule 212(5), and any determination made pursuant to Rule 213(6)(a)(ii) regarding requirements that are not applicable to the stationary source.

General Information

Stationary Source Mailing Address:	4025 Gregory Road Fowlerville, Michigan 48836
Source Registration Number (SRN):	B2795
North American Industry Classification System (NAICS) Code:	4911
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Renewal
Application Number:	201000096
Responsible Official:	Tom Tanciar, Plant Manager - Peakers Phone: 313-897-1065
AQD Contact:	Brad Myott, Senior Environmental Engineer Phone: 517-373-7084
Date Permit Application Received:	October 6, 2010
Date Application Was Administratively Complete:	October 6, 2010
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	May 23, 2011
Deadline for Public Comment:	June 22, 2011

Source Description

The Colfax Peaker Generating Units are a power plant that produces electricity on an intermittent basis, during periods of peak electrical load demand. The facility uses five internal combustion engines to power generators to produce electricity. These engines combust fuel oil.

The following tables list facility-wide emission information as estimated for 2009.

TOTAL FACILITY EMISSIONS-Criteria Pollutants

Pollutant	Tons per Year
Carbon Monoxide-(CO)	0.23
Lead-(Pb)	NA
Nitrogen Oxides-(NO _x)	0.86
Particulate Matter-(PM)	0.01
Sulfur Dioxide-(SO ₂)	0.05
Volatile Organic Compounds	0.03

See Sections C and D in the attached draft ROP for terms and conditions of all processes at the facility that are subject to process-specific emission limits or standards in any applicable requirement.

Regulatory Analysis

The facility is located in Livingston County which is currently designated as nonattainment for PM 2.5 and attainment for all other criteria pollutants. The facility is considered a major 40 CFR Part 70 source due to potential emissions of Nitrogen Oxides exceeding 100 tons.

The Prevention of Significant Deterioration (PSD) (40 CFR 52.21) regulations and Rule 336.1220 for Major Offset Sources do not apply to this facility because the equipment was installed prior to the effective dates of these regulations.

Each of the internal combustion engines was installed prior to the requirements of new source review permits to install (R336.1201), therefore, no Air Use Permit was required for the internal combustion engines prior to the issuance of the ROP.

The five internal combustion engines at the stationary source are subject to the Maximum Achievable Control Technology Standards for Stationary Reciprocating Internal Combustion Engines promulgated in 40 CFR, Part 63, Subparts A and ZZZZ. The applicable limits in this regulation do not take effect until May 3, 2013.

The monitoring conditions contained in the ROP are necessary to demonstrate compliance with all applicable requirements and are consistent with the "Procedure for Evaluating Periodic Monitoring Submittals."

No emission units are subject to the federal Compliance Assurance Monitoring rule under 40 CFR, Part 64, because all emission units at the stationary source either do not have a control device or those with a control device do not have potential pre-control emissions over the major source thresholds.

Please refer to Parts B, C, and D in the draft ROP for detailed regulatory citations for the stationary source. Part A contains regulatory citations for general conditions.

Equivalent Requirements

This permit does not include any equivalent requirements or significant changes pursuant to R 336.1212(5). Equivalent requirements are enforceable applicable requirements that are equivalent to the applicable requirements contained in the original New Source Review permit or Consent Order/Judgment.

Non-applicable Requirements

Part E of the draft ROP lists requirements that are not applicable to this source as determined by the AQD, if any were proposed in the application. These determinations are incorporated into the permit shield provision set forth in Part A (General Conditions 26 through 29) of the draft ROP pursuant to Rule 213(6)(a)(ii).

Processes in Application Not Identified in Draft ROP

There were no processes listed in the ROP application as exempt devices under Rule 212(4). Exempt devices are not subject to any process-specific emission limits or standards in any applicable requirement.

Draft ROP Terms/Conditions Not Agreed to by Applicant

This permit does not contain any terms and/or conditions that the AQD and the applicant did not agree upon pursuant to Rule 214(2).

Compliance Status

The AQD finds that the stationary source is expected to be in compliance with all applicable requirements as of the effective date of this ROP.

Action taken by the DNRE

The AQD proposes to approve this permit. A final decision on the ROP will not be made until the public and affected states have had an opportunity to comment on the AQD's proposed action and draft permit. In addition, the U.S. Environmental Protection Agency (USEPA) is allowed up to 45 days to review the draft permit and related material. The AQD is not required to accept recommendations that are not based on applicable requirements. The delegated decision-maker for the AQD is Teresa Seidel, Field Operations Supervisor. The final determination for ROP approval/disapproval will be based on the contents of the permit application, a judgment that the stationary source will be able to comply with applicable emission limits and other terms and conditions, and resolution of any objections by the USEPA.



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July 11, 2011 STAFF REPORT ADDENDUM

Purpose

A Staff Report dated May 23, 2011, was developed in order to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by R 336.1214(1). The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP during the 30-day public comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the draft ROP resulting from these pertinent comments.

General Information

Responsible Official:	Tom Tanciar, Plant Manager - Peakers Phone: 313-897-1065
AQD Contact:	Brad Myott, Senior Environmental Engineer Phone: 517-373-7084

Summary of Pertinent Comments

No pertinent comments were received during the 30-day public comment period.

Changes to the Draft ROP

No changes were made to the draft ROP.



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**September 1, 2011 STAFF REPORT
ADDENDUM**

Purpose

A Staff Report dated July 11, 2011, was developed in order to set forth the applicable requirements and factual basis for the draft Renewable Operating Permit (ROP) terms and conditions as required by R 336.1214(1). The purpose of this Staff Report Addendum is to summarize any significant comments received on the proposed ROP during the 45-day US EPA comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the proposed ROP resulting from these pertinent comments.

General Information

Responsible Official:	Tom Tanciar, Plant Manager - Peakers Phone: 313-897-1065
AQD Contact:	Brad Myott, Senior Environmental Engineer Phone: 517-373-7084

Summary of Pertinent Comments

No pertinent comments were received during the 45-day USEPA comment period.

Changes to the Proposed ROP

No changes were made to the proposed ROP.