



State Registration Number

N7786

Michigan Department of Environmental Quality
Air Quality Division

**RENEWABLE OPERATING PERMIT
STAFF REPORT**

ROP Number

MI-ROP-N7786-2008a

DTE PONTIAC NORTH LLC

SRN: N7786

Located at

824 St. Clair St., Pontiac, Michigan 48340

Permit Number: MI-ROP-N7786

Staff Report Date: May 26, 2008

Amended Date: July 1, 2008

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 (MDEQ), Air Quality Division (AQD), prepare a report that sets forth the factual basis for the terms and conditions of the Renewable Operating Permit (ROP).

TABLE OF CONTENTS

May 26, 2008 STAFF REPORT	3
July 1, 2008 STAFF REPORT ADDENDUM	7
August 30, 2010 STAFF REPORT FOR RULE 217(2) REOPENING	8
September 30, 2010 STAFF REPORT ADDENDUM FOR RULE 217(2) REOPENING	10
November 23, 2010 STAFF REPORT ADDENDUM FOR RULE 217(2) REOPENING	11



RENEWABLE OPERATING PERMIT

May 26, 2008 STAFF REPORT

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:	DTE Pontiac North LLC. 824 St. Clair St., Pontiac, Michigan 48340
Source Registration Number (SRN):	N7786
Standard Industrial Classification (SIC) Code:	4931
Number of Stationary Source Sections:	1
Is Application for a Renewal or Initial Issuance?	Initial
Application Number:	#200700075
Responsible Official:	Steve Earhart, Director, Onsite Energy Group 734-302-4817
AQD Contact:	Joyce Zhu, Sr. Environmental Engineer 586-753-3748
Date Permit Application Submitted:	June 12, 2007
Date Application Was Administratively Complete:	July 12, 2007
Is Application Shield In Effect?	Yes
Date Public Comment Begins:	May 26, 2008
Deadline for Public Comment:	June 25, 2008

Source Description

There are three natural gas-fired converted stoker boilers and a coal fired circulating fluidized bed boiler with limestone injection for control of sulfur dioxide emissions and fabric filter for particulate emission control. The coal fired boiler also emit a significant amount of hydrogen chloride (HCl), which is considered a hazardous air pollutant (HAP).

The following table lists stationary source emission information as reported in Michigan Air Emissions Reporting System for **2006** submittal by General Motors Corporation.

TOTAL STATIONARY SOURCE EMISSIONS

Pollutant	Tons per Year
Carbon Monoxide (CO)	39
Lead (Pb)	0
Nitrogen Oxides (NO _x)	49
Particulate Matter (PM)	4
Sulfur Dioxide (SO ₂)	13
Volatile Organic Compounds (VOCs)	2.5

**As listed pursuant to Section 112(b) of the Clean Air Act.

See Parts C and D in the draft ROP for summary tables of all processes at the stationary source that are subject to process-specific emission limits or standards.

Regulatory Analysis

The following is a general description and history of the source. Any determinations of regulatory non-applicability for this source are addressed in the non-applicable requirement part of the Staff Report and Part E of the ROP.

The stationary source is located in Oakland County, which is currently designated as attainment/unclassified for all criteria pollutants.

As of June 15, 2004, Oakland County has been designated by the U.S. Environmental Protection Agency (USEPA) as a basic non-attainment area with respect to the 8-hour ozone standard.

The stationary source is subject to Title 40 of the Code of Federal Regulations, Part 70, because the potential to emit nitrogen oxides (NO_x), sulfur dioxide (SO₂), and carbon monoxide (CO) exceeds 100 tons. Since the installation of the fluidized boiler resulted in a significant net yearly increase in the emissions of SO₂ and NO_x, the stationary source is subject to Prevention of Significant Deterioration (PSD) of Title 40 of the Code of Federal Regulations, Part 52.21 regulations.

The stationary source is considered a major source of Hazardous Air Pollutant (HAP) emissions because the potential to emit of any single HAP regulated by the federal Clean Air Act, Section 112 is more 10 tons per year. The stationary source is subject to the Maximum Achievable Control Technology Standards for Industrial, Commercial, and Institutional Boilers and Process Heaters promulgated in Title 40 of the Code of Federal Regulations, Part 63, Subparts A and DDDDD.

The coal fired boiler is subject to the New Source Performance Standards for Industrial-Commercial-Institutional Steam Generating Units promulgated in Title 40 of the Code of Federal Regulations, Part 60, Subparts A and Db. A continuous opacity monitor (COMS) to monitor visible emissions and continuous emission monitors (CEMS) to monitor SO₂ and NO_x emissions are installed as required. The

regulations require calibration, maintenance and operation of CEMS for documentation and reporting of operating data and emission rates.

The stationary source has an emission unit subject to the NOx Budget Trading program pursuant to Rules 802 through 816. However, the source is not subject to Acid Rain provision and Michigan Clean Air Interstate Rules (CAIR) because the facility restricts the boiler No. 9 its electrical output to 219,000 MWe-hrs on an annual basis to any utility power distribution system for sale (on a gross basis); and the boiler was construction prior to November 15, 1990. The stationary source is subject to the federal Compliance Assurance Monitoring (CAM) rule under Title 40 of the Code of Federal Regulations, Part 64, because Boiler No. 9 has both a control device and potential pre-control emissions of particulate greater than the major source threshold level. CAM requirements are included in this ROP.

The stationary source is subject to R 336.1220 for Major Offset Sources.

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

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

Source-wide Permit to Install (PTI)

Rule 214a requires the issuance of a Source-wide PTI within the ROP for conditions established pursuant to Rule 201. All terms and conditions that were initially established in a PTI are identified with a footnote designation in the integrated ROP/PTI document. PTIs that are being incorporated through this current permit action into the Source-wide PTI are listed in Appendix 6 of the permit.

The following table lists all individual PTIs that were incorporated into previous ROP/Source-wide PTIs and subsequently voided.

PTI Number			
NA	NA	NA	NA

Equivalent Requirements

This permit does not include any equivalent requirements or significant changes pursuant to Rule 212(5). Equivalent requirements are enforceable applicable requirements that are equivalent to the applicable requirements contained in the original New Source Review permit, a Consent Order/Judgment, and/or the State Implementation Plan.

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 DEQ

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, District 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.



State Registration Number
N7786

Michigan Department of Environmental Quality
Air Quality Division

RENEWABLE OPERATING PERMIT

ROP Number

MI-ROP-N7786-2008a

July 1, 2008 STAFF REPORT ADDENDUM

Purpose

A Staff Report dated **Error! Reference source not found.**, 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:	Steve Earhart, Director, Onsite Energy Group 734-302-4817
AQD Contact:	Joyce Zhu, Sr. Environmental Engineer 586-753-3748

Summary of Pertinent Comments

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

State Registration Number
N7786

RENEWABLE OPERATING PERMIT

ROP Number

MI-ROP-N7786-2008a

August 30, 2010 STAFF REPORT FOR RULE 217(2) REOPENING

Purpose

On August 18, 2008, the Department of Natural Resources and Environment, Air Quality Division (AQD), approved and issued Renewable Operating Permit (ROP) No. MI-ROP-N7786-2008 to DTE Pontiac North, LLC pursuant to R 336.1214. Once issued, the AQD is required to reopen the ROP as described in R 336.1217. The purpose of this Staff Report is to describe the changes that were made to the ROP pursuant to R 336.1217.

General Information

Responsible Official:	Mr. Steve Earhart, Director, Onsite Energy Group 734-302-4817
AQD Contact:	Brian Carley, Environmental Quality Specialist 517-780-7843
Date Public Comment Begins:	August 30, 2010
Deadline for Public Comment:	September 29, 2010

Regulatory Analysis

The AQD has determined that the ROP must be reopened because for the inclusion of the Clean Air Interstate Rule (CAIR) Annual Sulfur Dioxide Permit, CAIR Annual Nitrogen Oxide Budget Permit, and CAIR Ozone Nitrogen Oxide Budget Permit into the ROP.

These permits must be complete and separable portions of the ROP per the requirements of 40 CFR 96.120, 96.220, and 96.320 and R 336.1420(3) and R 336.1821(2).

Description of Changes to the ROP

The CAIR Annual Sulfur Dioxide Permit for this facility is incorporated into the ROP as Appendix 9. The CAIR Annual Nitrogen Oxide Budget Permit for this facility is incorporated into the ROP as Appendix 10. The CAIR Ozone Nitrogen Oxide Budget Permit for this facility is incorporated into the ROP as Appendix 11. The requirements to comply with the CAIR Annual Sulfur Dioxide Budget Permit, CAIR Annual Nitrogen Oxide Budget Permit, and CAIR Ozone Nitrogen Oxide Budget Permit and the requirements to have the appropriate amount of allowances in their accounts were added to Section IX of Table EU-BHB9.

Action Taken by the Department

The AQD proposes to approve this change to ROP No. MI-ROP-N7786-2008a, which was reopened by the AQD in order to incorporate CAIR Permits into the ROP per 40 CFR 96.120, 96.220, and 96.320 and R 336.1420(3) and 336.1821(2). A final decision on the approval of the revised ROP will not be made until the public and any affected states have had an opportunity to comment on the proposed changes to the ROP and the U.S. Environmental Protection Agency (USEPA) has been allowed 45 days to review the proposed changes to the ROP. The delegated decision maker for the AQD is Ms. Teresa Seidel, Southeast Michigan District Supervisor. The final determination for approval of the revised ROP will be

based on a judgment that the stationary source will be able to comply with applicable emission limits and other requirements, and resolution of any objections by the public, any affected states or the USEPA.

State Registration Number
N7786

RENEWABLE OPERATING PERMIT

ROP Number
MI-ROP-N7786-2008a

**September 30, 2010 STAFF REPORT
ADDENDUM FOR RULE 217(2) REOPENING**

Purpose

A Staff Report dated August 30, 2010, was developed in order to set forth the applicable requirements and factual basis for the draft reopening to Renewable Operating Permit's (ROP) terms and conditions as required by R 336.1214(3). The purpose of this Staff Report Addendum is to summarize any significant comments received on the draft ROP reopening during the 30-day public and affected state(s) comment period as described in R 336.1214(3) and (4). In addition, this addendum describes any changes to the proposed ROP reopening resulting from these pertinent comments.

General Information

Responsible Official:	Mr. Steve Earhart, Director, Onsite Energy Group 734-302-4817
AQD Contact:	Brian Carley, Environmental Quality Specialist 517-780-7843

Summary of Pertinent Comments

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

Changes to the August 30, 2010 Draft ROP Reopening

No changes were made to the draft ROP reopening.

State Registration Number

N7786

RENEWABLE OPERATING PERMIT

ROP Number

MI-ROP-N7786-2008a

**November 23, 2010 STAFF REPORT
ADDENDUM FOR RULE 217(2) REOPENING**

Purpose

A Staff Report dated September 30, 2010, was developed in order to set forth the applicable requirements and factual basis for a proposed reopening to Renewable Operating Permit's (ROP) terms and conditions as required by R 336.1214(3). The purpose of this Staff Report Addendum is to summarize any significant comments received on the proposed ROP reopening during the U.S. Environmental Protection Agency's (USEPA), 45-day comment period as described in R 336.1214(3). In addition, this addendum describes any changes to the proposed ROP reopening resulting from these pertinent comments.

General Information

Responsible Official:	Mr. Steve Earhart, Director, Onsite Energy Group 734-302-4817
AQD Contact:	Brian Carley, Environmental Quality Specialist 517-780-7843

Summary of Pertinent Comments

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

Changes to the September 30, 2010 Proposed ROP Reopening

No changes were made to the proposed ROP reopening.