

**MICHIGAN DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT
AIR QUALITY DIVISION**

December 10, 2010

PERMIT TO INSTALL
218-10

ISSUED TO
City of Harbor Springs

LOCATED AT
800 State Road
Harbor Springs, Michigan

IN THE COUNTY OF
Emmet

STATE REGISTRATION NUMBER
P0179

The Air Quality Division has approved this Permit to Install, pursuant to the delegation of authority from the Michigan Department of Natural Resources and Environment. This permit is hereby issued in accordance with and subject to Section 5505(1) of Article II, Chapter I, Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Pursuant to Air Pollution Control Rule 336.1201(1), this permit constitutes the permittee's authority to install the identified emission unit(s) in accordance with all administrative rules of the Department and the attached conditions. Operation of the emission unit(s) identified in this Permit to Install is allowed pursuant to Rule 336.1201(6).

DATE OF RECEIPT OF ALL INFORMATION REQUIRED BY RULE 203:

December 6, 2010

DATE PERMIT TO INSTALL APPROVED:

December 10, 2010

SIGNATURE:

DATE PERMIT VOIDED:

SIGNATURE:

DATE PERMIT REVOKED:

SIGNATURE:

PERMIT TO INSTALL

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Common Abbreviations / Acronyms

Common Acronyms		Pollutant/Measurement Abbreviations	
AQD	Air Quality Division	Btu	British thermal unit
BACT	Best Available Control Technology	°C	Degrees Celsius
CAA	Clean Air Act	CO	Carbon monoxide
CEM	Continuous Emission Monitoring	dscf	Dry standard cubic foot
CFR	Code of Federal Regulations	dscm	Dry standard cubic meter
COM	Continuous Opacity Monitoring	°F	Degrees Fahrenheit
EPA	Environmental Protection Agency	gr	Grains
EU	Emission Unit	Hg	Mercury
FG	Flexible Group	hr	Hour
GACS	Gallon of Applied Coating Solids	H ₂ S	Hydrogen sulfide
GC	General Condition	hp	Horsepower
HAP	Hazardous Air Pollutant	lb	Pound
HVLP	High Volume Low Pressure *	m	Meter
ID	Identification	mg	Milligram
LAER	Lowest Achievable Emission Rate	mm	Millimeter
MACT	Maximum Achievable Control Technology	MM	Million
MAERS	Michigan Air Emissions Reporting System	MW	Megawatts
MAP	Malfunction Abatement Plan	ng	Nanogram
MDNRE	Michigan Department of Natural Resources and Environment (Department)	NO _x	Oxides of nitrogen
MSDS	Material Safety Data Sheet	PM	Particulate matter
NESHAP	National Emission Standard for Hazardous Air Pollutants	PM10	PM less than or equal to 10 microns diameter
NSPS	New Source Performance Standards	PM2.5	PM less than or equal to 2.5 microns diameter
NSR	New Source Review	pph	Pound per hour
PS	Performance Specification	ppm	Parts per million
PSD	Prevention of Significant Deterioration	ppmv	Parts per million by volume
PTE	Permanent Total Enclosure	ppmw	Parts per million by weight
PTI	Permit to Install	psia	Pounds per square inch, absolute
RACT	Reasonably Available Control Technology	psig	Pounds per square inch, gauge
ROP	Renewable Operating Permit	scf	Standard cubic feet
SC	Special Condition	sec	Seconds
SCR	Selective Catalytic Reduction	SO ₂	Sulfur dioxide
SRN	State Registration Number	THC	Total hydrocarbons
TAC	Toxic Air Contaminant	tpy	Tons per year
TEQ	Toxicity Equivalence Quotient	µg	Microgram
VE	Visible Emissions	VOC	Volatile organic compounds
		yr	Year

* For High Volume Low Pressure (HVLP) applicators, the pressure measured at the HVLP gun air cap shall not exceed ten (10) pounds per square inch gauge (psig).

GENERAL CONDITIONS

1. The process or process equipment covered by this permit shall not be reconstructed, relocated, 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. **(R 336.1201(1))**
2. If the installation, construction, reconstruction, relocation, or modification 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 permittee or the designated authorized agent shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Natural Resources and Environment, P.O. Box 30260, Lansing, Michigan 48909, if it is decided not to pursue the installation, construction, reconstruction, relocation, or modification of the equipment allowed by this Permit to Install. **(R 336.1201(4))**
3. 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. **(R 336.1201(6)(b))**
4. 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. **(R 336.1201(8), Section 5510 of Act 451, PA 1994)**
5. 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 and shall be sent to the District Supervisor, Air Quality Division, Michigan Department of Natural Resources and Environment. **(R 336.1219)**
6. 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. **(R 336.1901)**
7. The permittee shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant which continue for more than one hour in excess of any applicable standard or limitation, or emissions of any air contaminant continuing for more than two hours in excess of an applicable standard or limitation, as required in Rule 912, to the Department. 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 Department within 10 days after the start-up or shutdown occurred, within 10 days after the abnormal conditions or malfunction has been corrected, or within 30 days of discovery of the abnormal condition or malfunction, whichever is first. The written reports shall include all of the information required in Rule 912(5). **(R 336.1912)**
8. Approval of this permit does not exempt the permittee from complying with any future applicable requirements which may be promulgated under Part 55 of 1994 PA 451, as amended or the Federal Clean Air Act.
9. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.
10. Operation of this equipment may be subject to other requirements of Part 55 of 1994 PA 451, as amended and the rules promulgated thereunder.

11. 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, the permittee 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. **(R 336.1301)**
 - a) A six-minute average of 20 percent opacity, except for one six-minute average per hour of not more than 27 percent 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.
12. 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). **(R 336.1370)**
13. The Department may require the permittee to conduct acceptable performance tests, at the permittee's expense, in accordance with R 336.2001 and R 336.2003, under any of the conditions listed in R 336.2001. **(R 336.2001)**

SPECIAL CONDITIONS

EMISSION UNIT SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Emission Unit ID	Emission Unit Description (Process Equipment & Control Devices)	Installation Date / Modification Date	Flexible Group ID
EUENGINESTATERD	600 ekW diesel powered generator for emergency backup and supplemental power during high demand periods (peak shaving). Nameplate rating for this engine is 900 hp. Displacement is 3.02 L/cylinder	12/01/2010	NA
Changes to the equipment described in this table are subject to the requirements of R 336.1201, except as allowed by R 336.1278 to R 336.1290.			

The following conditions apply to: EUENGINESTATERD

DESCRIPTION: 600 kW diesel powered generator for emergency backup and supplemental power during high demand periods (peak shaving). Nameplate rating for this engine is 900 hp.

Flexible Group ID: NA

POLLUTION CONTROL EQUIPMENT: NA

I. EMISSION LIMITS

Pollutant	Limit**	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1.* NMHC + NO _x	7.8 g/hp-hr	continuous	EUENGINESTATERD	SC VI.1 manufacturer's certification per 40CFR60.4211(c), 40CFR60.4204(b), 40CFR60.4201(a), 40CFR89.112, & 40CFR89.113	40 CFR 60.4204(b) 40 CFR 60.4201(b) 40CFR 89.112(d)
2. PM	0.40 g/hp-hr	continuous	EUENGINESTATERD	SC VI.1 manufacturer's certification per 40CFR60.4211(c), 40CFR60.4204(b), 40CFR60.4201(a), 40CFR89.112, & 40CFR89.113	40 CFR 60.4204(b) 40 CFR 60.4201(b) 40CFR 89.112(d)
3.*** NO _x	18.45 tpy	12-month rolling time period as determined at the end of each calendar month	EUENGINESTATERD	SC III.3, SC VI.3, SC VI.5, SC VI.6	R 336.1205(1)(a) and (3) , R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d)
<p>* NMHC = Nonmethane hydrocarbon (40 CFR 89.3) ** Emission limits are based on weighted average per the EPA-approved performance requirements of 40 CFR Part 60 Subpart IIII. *** The NO_x limit is based on an emission factor of 5.84 grams NO_x per hp-hour, and 3,185 hours per year of operation at 900 hp.</p>					

II. MATERIAL LIMITS

1. The sulfur content of the fuel oil shall not exceed 15 ppm by weight on a per-gallon basis. **(40 CFR 80.510)**
2. The fuel oil use for EUENGINESTATERD shall not exceed 136,000 gallons per per 12-month rolling time period as determined at the end of each calendar month. **(R 336.1205 (1)(a) and (3), R 336.1225, R 336.1702(a), R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d))**

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall operate EUENGINESTATERD in accordance with its manufacturer's written instructions or by operating procedures developed by the permittee that are approved by the manufacturer. **(40 CFR 60.4211(c))**
2. The permittee shall not change or revise the operating instructions, procedures or settings for EUENGINESTATERD unless permitted by the manufacturer in writing. **(40 CFR 60.4211(c))**

3. The permittee shall not operate EUENGINESTATERD for more than 3,185 hours per 12-month rolling time period as determined at the end of each calendar month. **(R 336.1205(1)(a) and (3), R 336.1225, R 336.1702(a), R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d))**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall equip and maintain EUENGINESTATERD with non-resettable hours meter to track its operating hours. **(R 336.1205, R 336.1224, R 336.1225, 40 CFR 60.4209(a))**
2. EUENGINESTATERD shall not exceed the nameplate capacity of 900 hp. The permittee shall keep a record of the nameplate capacity on file and make it available to the Department upon request. **(R 336.1205)**

V. TESTING/SAMPLING

1. Upon request by the AQD District Supervisor, the permittee shall verify NO_x emission factors used to calculate emissions from EUENGINESTATERD, by testing at owner's expense, in accordance with Department requirements. If a test has been conducted, any resulting increase in an emission factor shall be implemented to calculate NO_x. No less than 60 days prior to testing, the permittee shall submit a complete test plan to the AQD. The AQD must approve the final plan prior to testing. Verification of emission rates includes the submittal of a complete report of the test results to the AQD within 60 days following the last date of the test. **(R 336.1205, R 336.2001, R 336.2003, R 336.2004)**

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall obtain a record of the certification that EUENGINESTATERD complies with the applicable emission standards in 40 CFR Part 60 Subpart IIII, including the limits in SC I.1 and I.2. of this Permit to Install. The permittee shall keep all records on file and make them available to the Department upon request. **(40 CFR 60.4211(c))**
2. The permittee shall complete all required calculations in a format acceptable to the AQD District Supervisor by the 15th day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205(1)(a) and (3), R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d))**
3. The permittee shall monitor and record in a satisfactory manner the fuel oil usage rate for EUENGINESTATERD on a monthly and 12-month rolling time period basis. **(R 336.1205(1)(a) and (3), R 336.1225, R 336.1702(a), R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d))**
4. The permittee shall keep records of the sulfur content, in percent by weight, of the diesel fuel used in EUENGINESTATERD. The permittee shall keep a separate record of the sulfur content for each shipment of diesel fuel received. The permittee shall keep all records on file and make them available to the Department upon request. **(R 336.1205, R 336.1401, 40 CFR 52.21 (c) & (d))**
5. The permittee shall monitor and record in a satisfactory manner the hours of operation for EUENGINESTATERD on a monthly and 12-month rolling time period basis. **(R 336.1205(1)(a) and (3), R 336.1225, R 336.1702(a), R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d))**
6. The permittee shall keep, in a satisfactory manner, monthly and previous 12-month NO_x emission calculation records for EUENGINESTATERD, as required by SC I.3. The permittee shall keep all records on file and make them available to the Department upon request. **(R 336.1205(1)(a) and (3), R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d), 40 CFR Part 72.7)**

VII. REPORTING

1. Within 30 days after completion of the installation, construction, reconstruction, relocation, or modification authorized by this Permit to Install, the permittee or the authorized agent pursuant to Rule 204, shall notify the AQD District Supervisor, in writing, of the completion of the activity. Completion of the installation, construction, reconstruction, relocation, or modification is considered to occur not later than commencement of trial operation of EUENGINESTATERD. **(R 336.1201(7)(a))**

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVENGINESTATERD	10	9.8	R 336.1225, R 336.2803, R 336.2804, 40 CFR 52.21 (c) & (d)

IX. OTHER REQUIREMENTS

1. The permittee shall comply with all applicable provisions of the National Emission Standards for Hazardous Air Pollutants, as specified in 40 CFR Part 63, Subpart A and Subpart ZZZZ for Stationary Reciprocating Internal Combustion Engines by the initial compliance date. **(40 CFR Part 63, Subparts A and ZZZZ, 40 CFR 63.6590(c)(1))**

Footnotes:

¹This condition is state only enforceable and was established pursuant to Rule 201(1)(b).