

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION**

September 29, 2014

**PERMIT TO INSTALL
118-14**

ISSUED TO
Consumers Energy Company

LOCATED AT
3525 South Lakeshore Drive
Ludington, Michigan

IN THE COUNTY OF
Mason

STATE REGISTRATION NUMBER
P0068

The Air Quality Division has approved this Permit to Install, pursuant to the delegation of authority from the Michigan Department of Environmental Quality. 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: August 28, 2014 | |
| DATE PERMIT TO INSTALL APPROVED: September 29, 2014 | 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 |
| CO ₂ e | Carbon Dioxide Equivalent | °F | Degrees Fahrenheit |
| COM | Continuous Opacity Monitoring | gr | Grains |
| EPA | Environmental Protection Agency | Hg | Mercury |
| EU | Emission Unit | hr | Hour |
| FG | Flexible Group | H ₂ S | Hydrogen Sulfide |
| GACS | Gallon of Applied Coating Solids | hp | Horsepower |
| GC | General Condition | lb | Pound |
| GHGs | Greenhouse Gases | kW | Kilowatt |
| HAP | Hazardous Air Pollutant | m | Meter |
| HVLP | High Volume Low Pressure * | mg | Milligram |
| ID | Identification | mm | Millimeter |
| LAER | Lowest Achievable Emission Rate | MM | Million |
| MACT | Maximum Achievable Control Technology | MW | Megawatts |
| MAERS | Michigan Air Emissions Reporting System | ng | Nanogram |
| MAP | Malfunction Abatement Plan | NO _x | Oxides of Nitrogen |
| MDEQ | Michigan Department of Environmental Quality (Department) | PM | Particulate Matter |
| MSDS | Material Safety Data Sheet | PM10 | PM with aerodynamic diameter ≤10 microns |
| NESHAP | National Emission Standard for Hazardous Air Pollutants | PM2.5 | PM with aerodynamic diameter ≤ 2.5 microns |
| NSPS | New Source Performance Standards | pph | Pounds per hour |
| NSR | New Source Review | ppm | Parts per million |
| PS | Performance Specification | ppmv | Parts per million by volume |
| PSD | Prevention of Significant Deterioration | ppmw | Parts per million by weight |
| PTE | Permanent Total Enclosure | psia | Pounds per square inch absolute |
| PTI | Permit to Install | psig | Pounds per square inch gauge |
| RACT | Reasonably Available Control Technology | scf | Standard cubic feet |
| ROP | Renewable Operating Permit | sec | Seconds |
| SC | Special Condition | SO ₂ | Sulfur Dioxide |
| SCR | Selective Catalytic Reduction | THC | Total Hydrocarbons |
| SRN | State Registration Number | tpy | Tons per year |
| TAC | Toxic Air Contaminant | µg | Microgram |
| TEQ | Toxicity Equivalence Quotient | VOC | Volatile Organic Compound |
| VE | Visible Emissions | 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 Environmental Quality, P.O. Box 30260, Lansing, Michigan 48909-7760, 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 Environmental Quality. **(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) | Flexible Group ID |
|-------------------------|--|--------------------------|
| EUEMERGENCYGEN | Diesel-fired reciprocating internal combustion engine installed in 1979 driving an emergency generator. Fairbanks Morse Model 38TD1/8 | FGFACILITY |

The following conditions apply to: EUEMERGENCYGEN

DESCRIPTION: Diesel-fired reciprocating internal combustion engine driving an emergency generator.

Flexible Group ID: FGFACILITY

POLLUTION CONTROL EQUIPMENT: NA

I. EMISSION LIMITS

NA

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate EUEMERGENCYGEN for more than 1600 hours per year on a 12-month rolling time period basis as determined at the end of each calendar month. **(R 336.1205(3))**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall equip and maintain EUEMERGENCYGEN with a non-resettable hours meter. **(R 336.1205(3))**

V. TESTING/SAMPLING

NA

VI. MONITORING/RECORDKEEPING

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

1. The permittee shall use a non-resettable hours meter to monitor the hours of operation of EUEMERGENCYGEN during emergencies and non-emergencies. **(R 336.1205(3))**
2. The permittee shall keep, in a satisfactory manner, monthly and 12-month rolling time period records of the hours of operation of EUEMERGENCYGEN. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1205(3))**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

NA

IX. OTHER REQUIREMENTS

NA

FLEXIBLE GROUP SUMMARY TABLE

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

| Flexible Group ID | Flexible Group Description |
|--------------------------|--|
| FGFACILITY | All process equipment source-wide including equipment covered by other permits, grand-fathered equipment and exempt equipment. |

The following conditions apply to: FGFACILITY

POLLUTION CONTROL EQUIPMENT: NA

I. EMISSION LIMITS

| Pollutant | Limit | Time Period/ Operating Scenario | Equipment | Testing / Monitoring Method | Underlying Applicable Requirements |
|--------------------|--------------|---|------------------|--|---|
| 1. NO _x | 89.9 tpy | 12-month rolling time period as determined at the end of each calendar month. | FGFACILITY | VI.1 | R 336.1205(3) |
| 2. SO ₂ | 22 tpy | 12-month rolling time period as determined at the end of each calendar month. | FGFACILITY | VI.2. | R 336.1205(3) |

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

NA

IV. DESIGN/EQUIPMENT PARAMETERS

NA

V. TESTING/SAMPLING

NA

VI. MONITORING/RECORDKEEPING

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

1. The permittee shall keep, in a satisfactory manner, monthly and 12-month rolling time period NO_x emission calculation records for all emission units included in FGFACILITY, as required by SC I.1 and Appendix A. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1205(3))**

2. The permittee shall keep, in a satisfactory manner, monthly and 12-month rolling time period SO₂ emission calculation records for all emission units included in FGFACILITY, as required by SC I.2 and Appendix A. The permittee shall keep all records on file at the facility and make them available to the Department upon request. **(R 336.1205(3))**

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

NA

IX. OTHER REQUIREMENTS

NA

APPENDIX A

Procedures for Calculating NO_x and SO₂ Emissions

The permittee shall demonstrate compliance with the NO_x and SO₂ emission limits by keeping track of all fuel usage for all equipment using fuel at this facility and multiplying that fuel usage by an equipment-specific emission factor. The emission factors are typically expressed as the mass of pollutant per unit of fuel.

EUEMERGENCYGEN:

The permittee shall use emission factors from vendor data or from source specific testing (stack testing), as available for EUEMERGENCYGEN. The permittee can also use emission factors contained in the most recent AP-42 (Compilation of Air Pollutant Emission Factors) or the most recent FIRE (Factor Information Retrieval) database if vendor or stack testing data is not available. This also applies to engine(s) from engine change-out(s). If emission factors from other sources are used, the permittee shall obtain the approval of the AQD District Supervisor before using the emission factors to calculate emissions.

Fuel burning equipment at the facility:

The permittee shall use emission factors contained in the most recent AP-42 (Compilation of Air Pollutant Emission Factors) or the most recent FIRE (Factor Information Retrieval) database if vendor or stack testing data is not available. If emission factors from other sources are used, the permittee shall obtain the approval of the AQD District Supervisor before using the emission factors to calculate emissions.

The permittee shall document the source of each emission factor used in the calculations.