



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT  
LANSING



February 24, 2011

Mr. Keith A. Martens  
Post Foods, LLC  
275 Cliff Street  
Battle Creek, Michigan 49016

Dear Mr. Martens:

Enclosed is the Notice of Termination for Stipulation for Entry of Final Order by Consent, AQD No. 29-2007. This is in response to the request made by your company to the Michigan Department of Natural Resources and Environment (DNRE).

Note that the authority for this action has been transferred from the Department of Environmental Quality to the DNRE.

If you have any questions regarding the enclosed notice, please contact Ms. Rachel McLeod, Enforcement Unit, Air Quality Division, at 517-241-7622.

Sincerely,

G. Vinson Hellwig, Chief  
Air Quality Division  
517-373-7069

Enclosure

cc/enc: Ms. Sara Breneman, U.S. Environmental Protection Agency, Region 5  
Mr. Neil Gordon, Department of Attorney General  
Ms. Mary Douglas, DNRE  
Mr. Thomas Hess, DNRE  
Ms. Rachel McLeod, DNRE

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

In the matter of administrative proceedings  
against **KRAFT FOODS GLOBAL, INC.**, a  
corporation organized under the laws of the  
State of Delaware and doing business at  
275 Cliff Street, in the City of Battle Creek,  
County of Calhoun, State of Michigan

AQD No. 29-2007

SRN: B1548

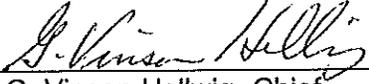
NOTICE OF TERMINATION

This Notice is issued pursuant to a request for termination submitted by Post Foods, LLC, formerly Kraft Foods Global, Inc., pursuant to paragraph 22 of the Stipulation for Entry of Consent Order and Final Order (Consent Order), AQD No. 29-2007. The request contained supporting information as required by paragraph 22 of AQD No. 29-2007. Review of this request and supporting information indicates that Post Foods, LLC, formerly Kraft Foods Global, Inc. has achieved compliance with the terms and requirements of the Consent Order.

The Michigan Department of Natural Resources and Environment (DNRE) was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 2009-45. All statutory authority, powers, duties, functions, and responsibilities of the Department of Environmental Quality, Air Quality Division, were transferred to the DNRE, Air Quality Division.

THEREFORE, effective on the date signed below, AQD No. 29-2007 is terminated. The DNRE reserves the right to pursue administrative, civil and/or criminal proceedings, including the assessment of monetary fines, for any falsification of information submitted in support of Post Foods, LLC, formerly Kraft Foods Global, Inc.'s request for termination of the Consent Order, or for any violation of the Michigan Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.5501 *et seq*; and all other applicable laws.

By: \_\_\_\_\_

  
G. Vinson Hellwig, Chief  
Air Quality Division  
Michigan Department of  
Natural Resources and Environment

Date: \_\_\_\_\_

2/22/11

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF THE DIRECTOR

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In the matter of administrative proceedings )  
against **KRAFT FOODS GLOBAL, INC.**, a )  
corporation organized under the laws of the )  
State of Delaware and doing business at 275 )  
Cliff Street, in the City of Battle Creek, )  
County of Calhoun, State of Michigan )  
)

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AQD No. 29-2007

SRN: B1548

STIPULATION FOR ENTRY OF FINAL ORDER  
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality ("MDEQ") Air Quality Division ("AQD") against Kraft Foods Global, Inc. ("Company"), a Delaware corporation doing business at 275 Cliff Street in the City of Battle Creek, County of Calhoun, State of Michigan, with State Registration Number ("SRN") B1548 ("Battle Creek Facility"). The MDEQ alleges that the Company has violated the federal Clean Air Act 42 USC 7401 et seq. ("CAA"), Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, Michigan Administrative Code ("MAC"), 2003 AACS, R 336.1201 ("Rule 201"), MAC, 2001 AACS, R336.1210 ("Rule 210"), MAC, 2003 AACS, R336.1220 ("Rule 220) and Renewable Operating Permit No. 199600347 ("ROP"). Specifically, the MDEQ alleges that the Company operated a cereal coating process that has released volatile organic compound ("VOC") emissions to the ambient air without an air use permit, has failed to submit appropriate information on VOC emissions from their cereal coating process for their ROP and has failed to obtain VOC emission offsets, as cited herein and in the Letter of Violation ("LOV") dated May 22, 2006. The Company and MDEQ stipulate to the termination of this proceeding by entry of a Stipulation for Entry of a Final Order by Consent ("Consent Order").

The Company and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451, ("Act 451"), MCL 324.101 et seq. is an act that controls pollution to protect the environment and natural resources in the State.
2. Article II, Pollution Control, Part 55 of Act 451 ("Part 55"), MCL 324.5501 et seq. provides for air pollution control regulations in this State.

3. The Michigan Department of Natural Resources ("MDNR") is authorized pursuant to Section 5503 of Part 55 to administer and enforce all provisions of Part 55. Section 301 of Part 3 provides the authority to the Director of the MDNR to delegate powers and duties.

4. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 1995-18. All statutory authority, powers, duties, functions and responsibilities of the MDNR AQD were transferred to the Director of the MDEQ ("Director").

5. The Director has delegated authority to the Chief of the AQD ("AQD Chief") to enter into this Consent Order.

6. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.

7. The Company and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated or that any of the allegations are true.

8. This Consent Order becomes effective on the date of execution ("effective date of this Consent Order") by the AQD Chief.

9. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

#### COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

10. A. Permits

1. Within thirty (30) calendar days of receipt of final draft permit conditions for Permit to Install No. 76-07, the Company shall submit in writing an acceptance of all terms and conditions of the draft permit to the AQD Permit Section Supervisor.

2. Upon issuance of Permit to Install No. 76-07, the Company shall fully comply with its terms and conditions which shall be attached hereto as Exhibit A, incorporated by reference and made an enforceable part of this Consent Order or with any subsequent modifications to Exhibit A during the term of this Consent Order.

3. Upon issuance of the renewal Renewable Operating Permit for the Battle Creek Facility pursuant to MAC Rule 210 it shall be hereto attached as Exhibit B this Consent Order or with any subsequent modifications to Exhibit B during the term of this Consent Order.

B. Control Program and Installation Schedule

1. By March 1, 2008, the Company shall notify the AQD Kalamazoo District Supervisor in writing that the purchase of the catalytic oxidation air pollution control equipment to bring the Company into compliance with the provisions of Part 55 and MAC Rule 201 has occurred.

2. By July 9, 2008, the Company shall begin on-site installation of the required catalytic oxidation air pollution control devices and associated equipment in accordance with the permit to install issued pursuant to paragraph 10.A.2 of this Consent Order and shall notify the AQD Kalamazoo District Supervisor in writing that this installation has begun.

3. By September 11, 2008, the Company shall have completed the installation of the catalytic oxidation air pollution control equipment and notified the AQD Kalamazoo District Supervisor in writing that the installation of the catalytic oxidation air pollution control equipment has been completed and operation of the equipment has commenced in accordance with the provisions of the permit to install issued pursuant to paragraph 10.A.2 of the Consent Order.

C. Final Emission Limitations

1. By September 11, 2008, the Company shall fully comply with the VOC emission limitations specified in Exhibit A of this Consent Order.

2. Upon issuance of Exhibit B, the Company shall fully comply with the VOC emission limitations specified in Exhibit B of this Consent Order.

TESTING

11. The Company shall conduct stack testing for VOC's in accordance with methods and procedures approved by the AQD Kalamazoo District Supervisor and Technical Programs Unit Supervisor to demonstrate compliance with the VOC emission limitations specified in Exhibits A and B of this Consent Order. Testing shall be conducted in accordance with the following schedule:

A. By July 30, 2008, the Company shall submit a test plan which meets the requirements specified in Exhibit C to the AQD Kalamazoo District Supervisor and the Technical Programs Unit Supervisor for approval prior to testing.

B. Within sixty (60) days after test plan approval by the AQD, the Company shall have completed the testing in accordance with the approved test plan.

C. Not less than seven (7) days prior to testing, the Company or his authorized agent, shall notify the AQD Kalamazoo District Supervisor and the Technical Programs Unit Supervisor, in

writing, of the time and place of the tests and who shall conduct them. A representative of the AQD shall have the opportunity to witness the tests.

D. Within sixty (60) days of the test completion, the Company shall submit to the AQD Kalamazoo District Supervisor and Technical Programs Unit Supervisor a test report, which includes the test data and results, in accordance with the requirements specified in Exhibit C.

#### SUPPLEMENTAL ENVIRONMENTAL PROJECTS

12. In addition to the civil fine in this Consent Order for the violations alleged in the LOV, the Company agrees to undertake the Supplemental Environmental Projects (SEPs) described in Exhibits D and E which is attached, incorporated by reference, and made enforceable parts of this Consent Order. Performance of the SEPs will benefit the environment and the Company agrees to implement the SEP's in accordance with the details specified in Exhibits D and E and in accordance with the following terms and conditions below:

A. The total expenditure for the SEP's shall not be less than \$ 202,000.00. All costs of the SEPs shall be the responsibility of the Company. The Company certifies that any economic benefit, including tax abatement(s), tax credit(s), or similar tax relief that the Company, will realize as a result of the SEPs, is detailed in Exhibits D and E. The SEPs that are fully and completely implemented, to the extent that the actual expenditures for the SEPs totals less than 90 percent of \$ 202,000.00, the Company shall pay to the Department of Environmental Quality (DEQ) as a civil fine, within thirty (30) days of submission of the SEP's certificate of completion required in subparagraph (G) below, the amount of the monetary shortfall after it has been adjusted by the amount of any economic benefit, including abatement(s), tax credit(s), or similar tax relief, realized by the Company.

B. The plans included as Exhibits D and E contains schedules, including specific dates for the implementation of the SEPs. The Company shall fully implement all aspects of the SEPs within the specified schedules.

C. The Company further certifies that the Company, has not received, and is not presently negotiating to receive, a credit for the SEPs as part of any other enforcement action or any grant from the state, U.S. Environmental Protection Agency (U.S. EPA) or any other entity. The Company also certifies that the Company will not seek tax benefits following completion of the SEPs.

D. Disputes between the DEQ and the Company regarding the SEPs costs, mitigation amounts, and fulfillment of the SEPs obligations under Exhibits D and E are not subject to dispute resolution.

E. In the event the Company fails to fully and completely implement the SEPs as provided herein to the reasonable satisfaction of the DEQ, the DEQ will provide written notice to the Company describing the nature of the deficiency. The Company shall have thirty (30) days from receipt of the notice to submit documentation to the DEQ demonstrating that the deficiency has been corrected. In the event the deficiency is not corrected to the satisfaction of the DEQ, the Company will be notified and the Company shall be in violation of this Consent Order and required to pay a stipulated penalty of \$202,000.00 minus the Company's SEPs expenditures documented to the DEQ to date, to the DEQ within thirty (30) days of notification from the DEQ. The amount of the stipulated penalty may be reduced or waived by the DEQ if the Company made good faith and timely efforts to complete the project. Payment of stipulated penalties under the terms of this Paragraph 12.E shall satisfy the Company's obligation to complete the SEPs under this Consent Order.

F. The Company agrees that any public statement, oral or written, making reference to the SEP's shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the DEQ for violations of air quality law."

G. No later than thirty (30) days after the completion of all activities specified in Exhibits D and E, the Company shall submit written certification of completion of the SEPs to the Chief of the AQD demonstrating that all SEP's activities specified in Exhibits D and E have been completed in accordance with the terms and conditions of this Consent Order and Exhibits D and E. The certification shall be accompanied by appropriate documentation (such as invoices, receipts, or tax statement) to verify the total expenditure made by the Company as a result of implementing the activities specified under Exhibits D and E. It shall be the sole determination of the DEQ whether the Company has completely implemented the activities specified in Exhibits D and E of this Consent Order.

#### GENERAL PROVISIONS

13. On and after the effective date of this Consent Order, except as otherwise provided by the administrative rules of Part 55, the Company shall not install, construct, reconstruct, relocate, alter, or modify any process or process equipment including control equipment pertaining thereto, which may

emit an air contaminant, unless a permit to install which authorizes such action is issued by the MDEQ pursuant to Rule 201, the Company is issued a waiver pursuant to Rule 202, or the change is exempt from the requirements of Rule 201.

14. This Consent Order in no way affects the Company's responsibility to comply with any other applicable state and federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 et seq., Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan.

15. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

16. Within thirty (30) days after the effective date of this Consent Order, the Company shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$89,500.00, which includes AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days of the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the Agreement Identification No. AQD 3293 on the face of the check. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

17. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 13 of this Consent Order, the Company is subject to a stipulated fine of up to \$10,000.00 per violation. On and after the effective date of this Consent Order, if the Company fails to comply with paragraphs 10.C.1 or 10.C.2 of this Consent Order, the Company is subject to stipulated fines of up to \$2,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with paragraphs 11.A, 11.B or 11.D of this Consent Order, the Company is subject to stipulated fines of up to \$1,000.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with any other provision of Exhibit A not specified in this Consent Order, the Company is subject to a stipulated fine of up to \$500.00 per violation. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be delivered to the Michigan Department of

Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the Agreement Identification No. AQD 3293S on the face of the check. Payment of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

18. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

19. To ensure timely payment of the settlement amount assessed in paragraph 16 and any stipulated fines assessed pursuant to paragraph 17 of this Consent Order, the Company shall pay an interest penalty to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest penalty shall be determined at a rate of twelve percent (12%) per year compounded annually, using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of an interest penalty by the Company shall be made to the State of Michigan in accordance with paragraph 17 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest penalty owed by the Company before any remaining balance is applied to subsequent payment amount or interest penalty.

20. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 16. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 17 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the Company agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

21. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

22. This Consent Order shall remain in full force and effect for a period of at least three (3) years. Thereafter, the Consent Order shall terminate only upon written notice of termination issued by the AQD Chief. Prior to issuance of a written notice of termination, the Company shall submit a request, to the AQD Chief at the Michigan Department of Environmental Quality, Air Quality Division, P.O. Box

30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Company has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Kalamazoo District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the Battle Creek Facility; and, (iv) such information as may be requested by the AQD Chief.

23. In the event Kraft Foods Global, Inc., sells or transfers the Battle Creek Facility, with SRN: B1548, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Kalamazoo District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. The purchaser and/or transferee must agree, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Kalamazoo District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

24. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

25. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which the Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

26. The Company hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations at its Battle Creek Facility located at 275 Cliff Street, in Battle Creek, Michigan. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged, including requesting an order from the pertinent U.S. Bankruptcy Court designating the settlement amount and any future stipulated fines as exceptions to discharge pursuant to 11 U.S. Code Section 523(a)(7). The Company, during and after any future

bankruptcy proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law.

The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it.

**KRAFT FOODS GLOBAL, INC.**

Steven Schonhoff Plant Manager  
Print Name and Title

[Signature] Date: 12/20/07  
Signature

The above signatory subscribed and sworn to before me this 20<sup>th</sup> day of December, 2007.

**O. LYNN STARKS**  
Notary Public, State of Michigan  
County of Calhoun  
My Commission Expires Jun. 3, 2011  
Acting in the County of Calhoun

[Signature]  
Notary Public

Approved as to Content:

[Signature]  
G. Vinson Hellwig, Chief  
AIR QUALITY DIVISION  
DEPARTMENT OF  
ENVIRONMENTAL QUALITY

Approved as to Form:

[Signature]  
Alan F. Hoffman, Section Head  
ENVIRONMENTAL REGULATION SECTION  
ENVIRONMENT, NATURAL RESOURCES,  
AND AGRICULTURE DIVISION  
DEPARTMENT OF ATTORNEY GENERAL

Dated: 1/3/08

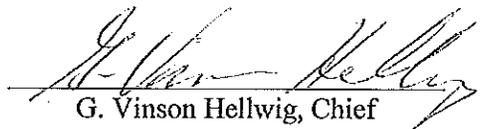
Dated: 1/3/08

FINAL ORDER

The Chief of the Air Quality Division having had opportunity to review the Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that the Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

  
G. Vinson Hellwig, Chief  
Air Quality Division

Dated: 1/3/08

## EXHIBIT C

### MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY AIR QUALITY DIVISION FORMAT FOR SUBMITTAL OF SOURCE EMISSION TEST PLANS AND REPORTS April 2004

#### INTRODUCTION

The source emission test is often the ultimate determination of compliance. The results of a test are of great significance to both the regulatory agency and the source. Since the results often determine the course of future enforcement discussions between the agency and the source, it is important that the test be performed in a valid and representative manner. The complex nature of the various sampling methods places great responsibility on both agency and testing personnel to assure each test is an accurate representation of a source's actual emissions.

The objective of this document is to describe the Air Quality Division's (AQD's) technical submittal requirements for a source test. The format described applies to the requirements of Michigan Department of Environmental Quality (MDEQ) Rule 1001 (4), and to any other emission test submitted for reasons such as a permit requirement, for a consent order, consent judgment, or at the request of the AQD.

#### TEST PLAN SUBMITTAL

In order to establish uniform requirements and help ensure proper test methods and procedures are employed, **the information specified below should be submitted to the appropriate AQD district office (DO) and the Technical Programs Unit (TPU) in Lansing**, at least 30 days prior to the scheduled test date. A complete submittal will minimize the possibility of a test rejection as a result of improper sampling or data collection methods.

Testing shall be performed in strict accordance with procedures specified in Title 40 of the Code of Federal Regulations, Part 60 (Standards of Performance for New Stationary Sources, Appendix A, as amended), Part 61 (National Emission Standards for Hazardous Air Pollutants, Appendix B), and Part 51 (Requirements for Preparation, Adoption, and Submittal of Implementation Plans, Appendix M); and the MDEQ Rules, Part 10, Intermittent Testing and Sampling. Any variations in the sampling or analytical procedures must be described in the test plan and receive approval from the AQD prior to testing. If state or federal test methods are not available for the pollutants of concern or the nature of the test site makes it impractical to use them, other methods may be proposed as necessary.

While the specific items in the test plan will vary depending on the source and pollutants of interest, the following format should be utilized:

- 1) Identification and a brief description of the source to be tested. The description should include:
  - a) names, addresses, and telephone numbers of the contacts for information regarding the source and the test plan,
  - b) type of industrial process or combustion facility,
  - c) type and quantity of raw and finished materials used in the process,

- d) description of any cyclical or batch operations, which would tend to produce variable emissions with time,
- e) basic operating parameters used to regulate the process, and

## FORMAT FOR SUBMITTAL OF SOURCE EMISSION TEST PLANS AND REPORTS

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- f) rated capacity of the process. Process capacity can be demonstrated by calculating an average and maximum production rate using facility records. Based on these figures the facility shall include a production rate to be maintained during emission testing.
- 2) A brief description of any air pollution control equipment associated with the process:
  - a) type of control device,
  - b) operating parameters,
  - c) rated capacity and efficiency, and
  - d) any maintenance activity on the air pollution control equipment within the last three months.
- 3) Applicable permit number and emission limits for the process to be tested.
- 4) Identify all pollutants to be measured.
- 5) A description of the sampling train(s) to be used, including schematic diagrams if appropriate.
- 6) Describe in detail the sampling and analysis procedures, including the applicable standard methods reference. This should include the concentration of calibration gases where appropriate and the expected emission concentrations. Method of calibration (through the system or to back of the monitor) should be indicated. Justify any proposed sampling or analytical modifications.
- 7) The number and length of sampling runs, which will constitute a complete test.
- 8) Dimensioned sketch showing all sampling ports in relation to breeching and to upstream and downstream disturbances or obstructions of gas flow.
- 9) Estimated flue gas conditions such as temperature, moisture, and velocity.
- 10) Projected process operating conditions during which the tests will be run (e.g., production rate). **These conditions should match the operating conditions stated in the facility's permit or facility operations shall be at the maximum routine operating conditions during the test.**
- 11) A description of any process or control equipment data to be collected during the test period. This should include any permit required information used to demonstrate the acceptable operations of emissions control processes and production rates.
- 12) A description of any monitoring data to be collected during the test period and subsequently reported (e.g., stationary continuous emission monitor data).
- 13) Chain of custody procedures.

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- 14) Field quality assurance/quality control (QA/QC) procedures (e.g., field blanks, sample storage, and transport methods).
- 15) Laboratory QA/QC procedures utilized as part of the testing (e.g., manner and frequency of blanks, spikes, and standards). This should include analysis of audit samples where required as a component of the approved test method.
- 16) Names and titles of personnel who will be performing the tests.

The facility information in items 1, 2, 3, 8, 10, 11, and 12 above can be submitted by completing the attached Facility Test Information form or with a letter signed by the responsible official, as defined in Michigan Air Pollution Control Rule 336.1118(j). This letter shall certify that the testing will be conducted in accordance with the attached test plan and that the facility will be operated in compliance with permit conditions or at the maximum routine operating conditions for the facility. If the source operates under a Renewable Operating Permit (ROP), certification by a responsible official, using the Renewable Operating Permit Certification (ROPC) form (EQP 5736) must be included with the test plan and cover letter.

### EMISSION TEST REPORTING

The emission test report should contain all pertinent data concerning the test program. In addition to reporting the results, it should include descriptions of the source, the sampling and analytical methodologies, the process operating conditions, and all raw field data, laboratory analytical data, and calculation methods. Since the report will serve as evidence to both the agency and the source as a demonstration of the compliance status of the facility, it is important it be complete in content and adequate in quality. Its contents should be presented in an understandable and organized manner. **The information listed below shall be submitted to the appropriate AQD DO and the TPU** by the date specified in an applicable air use permit, consent order, consent judgment, or state or federal regulation. Otherwise, pursuant to the MDEQ Rule 1001(4), a complete test report shall be submitted to the AQD within 60 days following the last date of testing. In the event that the test report is not complete, additional information will be requested for submittal. If the information is not received following two written requests to the facility, the test results may be rejected by the AQD.

While the exact format of the report and the applicable information necessary will vary depending on the source and the pollutants of interest, the following format should be utilized.

- 1) Introduction
  - a) identification, location, and dates of tests,
  - b) purpose of testing,
  - c) brief description of source,

# FORMAT FOR SUBMITTAL OF SOURCE EMISSION TEST PLANS AND REPORTS

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- d) names, addresses, and telephone numbers of the contacts for information regarding the test and the test report, and
  - e) names and affiliation of all personnel involved in conducting the testing.
- 2) Summary of Results
- a) operating data (e.g., production rate, fuel type, or composition),
  - b) applicable permit/license number or designation for the source,
  - c) results expressed in units consistent with the emission limitation applicable to the source, and
  - d) comparison with emission regulations.
- 3) Source Description
- a) description of process, including operation of emission control equipment,
  - b) process flow sheet or diagram (if applicable),
  - c) type and quantity of raw and finished materials processed during the tests,
  - d) maximum and normal rated capacity of the process, and
  - e) description of process instrumentation monitored during the test.
- 4) Sampling and Analytical Procedures
- a) description of sampling train(s) and field procedures,
  - b) description of recovery and analytical procedures,
  - c) dimensioned sketch showing all sampling ports in relation to breeching and to upstream and downstream disturbances or obstructions of gas flow,
  - d) sketch of cross-sectional view of stack indicating traverse point locations and exact stack dimensions.
- 5) Test Results and Discussion
- a) detailed tabulation of results including process operating conditions and flue gas conditions,
  - b) discussion of significance of results relative to operating parameters and emission regulations,
  - c) discussion of any variations from normal sampling procedures or operating conditions, which could have affected the results,
  - d) documentation of any process or control equipment upset condition, which occurred during the testing,
  - e) description of any major maintenance performed on the air pollution control device(s) during the three month period prior to testing,
  - f) in the event of a re-test, a description of any changes made to the process or air pollution control device(s) since the last test,
  - g) results of any quality assurance audit sample analyses required by the reference method,
  - h) calibration sheets for the dry gas meter, orifice meter, pitot tube, and any other equipment or analytical procedures, which require calibration,
  - i) sample calculations of all the formulas used to calculate the results,
  - j) copies of all field data sheets, and
  - k) copies of all laboratory data including QA/QC (e.g. blanks, spikes, standards).

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The facility information in items 1, 2, and 3 above can be submitted by completing the attached Facility Test Results form or in a letter signed by the responsible official, as defined in Michigan Air Pollution Control Rule 336.1118(j). This letter shall certify that the testing was conducted in accordance with the approved test plan and that the facility operating conditions were in compliance with permit requirements or were at the maximum routine operating conditions for the facility. If the source operates under an ROP, certification by a responsible official using form, using the ROPC form (EQP 5736), must be included with the emission test results and cover letter.

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## REFERENCES

1. Michigan Department of Environmental Quality Rules, Part 10, Intermittent Testing and Sampling.
2. United States Environmental Protection Agency, Plant Inspection Workshop- Techniques for Evaluating Performance of Air Pollution Control Equipment: Observing Compliance Tests, February, 1981.

### **Mailing Address for the Technical Programs Unit**

Michigan Department of Environmental Quality  
Air Quality Division  
Technical Programs Unit  
P.O. Box 30260  
Lansing, MI 48909

### **Street Address for Technical Programs Unit (needed for Federal Express, UPS, etc.)**

Michigan Department of Environmental Quality  
Air Quality Division – Technical Programs Unit  
Constitution Hall, 3rd Floor North  
525 West Allegan Street  
Lansing, MI 48933

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

**Pre-Test Facility Information Form**

Facility Name: \_\_\_\_\_

Facility Address: \_\_\_\_\_

County: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Permit Number: \_\_\_\_\_ SRN: \_\_\_\_\_

Description of facility production (rates) or process (continuous or batch) operations:

Historical average production rate:

Historical maximum production rate:

Production rate to be maintained during emissions monitoring:

Air pollution control equipment and operation:

Maintenance activity on air pollution control equipment within last three months:

Production or process operations required during emissions testing:

Production or process control information to be recorded during emissions testing:

Air pollution equipment control equipment operating information to be recorded during emissions testing:

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Pre-Test Facility Information Form

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Representative from the facility must sign below certifying that the information provided on this form and any attached information is accurate and complete.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Facility: \_\_\_\_\_

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

**Post Test Facility Information Form**

Facility Name: \_\_\_\_\_

Facility Address: County: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Permit Number: \_\_\_\_\_ SRN: \_\_\_\_\_

Description of facility production rates or process operations during emissions sampling:

Are these items as described in test plan? If not provide an explanation for differences.

Air pollution control equipment and operations during emissions sampling:

Are these items as described in test plan? If not provide an explanation for differences.

Production or process control information recorded during emissions testing:

Air pollution equipment control equipment operating information recorded during emissions testing:

Based on the emission monitoring results is your facility in compliance with the applicable permit limitations?

Representative from the facility must sign below certifying that the information provided on this form and any attached information is accurate and complete.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Facility: \_\_\_\_\_

**EXHIBIT E**  
**Reduction in Use of Ozone-Depleting Substances in Battle Creek, Plant**

**Statement of Problem:**

Title VI of the Clean Air Act seeks to preserve and protect the Earth's stratospheric ozone layer by regulating and eliminating ozone-depleting substances (ODS), including compounds widely used as refrigerant in air conditioning units and chillers. R-22 is one such refrigerant, currently set to be phased out by 2030. Although R-22 is widely and legally used due to its excellent cooling properties, the ever-present risk of accidental release carries with it the risk of permanent damage to the Earth's stratospheric ozone layer.

**Project Description:**

Through this project, Kraft Foods will purchase and install refrigeration units with the purpose of reducing on-site quantities of ODS refrigerants. Existing units operating with R-22 will be removed from service and replaced with units containing non ODS refrigerants. Potential units include process and utility cooling applications in buildings 20, 32, and 29 at the Battle Creek Michigan facility. The specific units to be replaced will be identified during the preliminary engineering phase. It is expected that at least one production process chiller or packing room air conditioner will be replaced, in addition to one or more smaller units.

**Project Results (Benefit):**

This project will eliminate the use of R-22 in specific applications by replacing the identified equipment with units using a benign refrigerant, thus preventing future releases of the R-22 refrigerant. By eliminating risk of a release that would damage the stratospheric ozone layer, this SEP will reduce the overall risk to public health and the environment caused by future operations.

**Project Cost:**

Capital Investment:	Not less than \$202,000
Expense of Capital	\$ 25,000
Estimated Annual Cost	\$0 No incremental up charge versus current system is expected.
Estimated Equipment Life	20 years

**Project Schedule:**

Complete Preliminary Engineering / Design	December 2007
Order Equipment	January-February, 2008
Equipment Delivery	April-May, 2008
Installation of Equipment	July, 2008
Commissioning and Start-up	August, 2008

**Supplemental Environmental Project – Project Amount:**                      \$202,000 - \$250,000

**Contact Person:**                      Steve Schonhoff, Plant Manager  
Kraft Foods Global, Inc.  
275 Cliff Street  
Battle Creek, MI 49015  
Phone: (269) 966-1000 Ext. 2700  
Fax: (269) 966-1159

## EXHIBIT D

**SUPPLEMENTAL PROJECT TITLE:** The Climate Registry

**PROJECT AMOUNT:** \$50,000

**PROBLEM STATEMENT:** Greenhouse gases (GHGs) are widely believed to contribute to climate change and impact the environment worldwide. In an effort to encourage voluntary reductions of GHGs The Climate Registry was formed as part of a multi-state effort. It is important for states, tribes and private industry to have accurate information on air emissions to effectively manage and regulate greenhouse gas emissions because of the health and environmental impacts to people and to encourage carbon trading as a mechanism to reduce GHGs.

**PROJECT DESCRIPTION:** The Climate Registry is a multi-state and international non-profit corporation (501(c)(3) that was established to develop and manage common greenhouse gas emission reporting system with high integrity that is capable of supporting multiple greenhouse gas emissions reporting and emission reduction policies for its member states, tribes and reporting entities. The Climate Registry seeks to provide an accurate, complete, consistent, transparent, and verified set of greenhouse gas emissions data from reporting entities, supported by a robust accounting and verification infrastructure. The Climate Registry encourages voluntary early actions to increase energy efficiency and decrease greenhouse gas emissions.

**PROJECT RESULTS (BENEFITS):** The State of Michigan's participation in The Climate Registry will promote effective management of green house gases within the State of Michigan. With accurate information on green house gases from the registry the State of Michigan will be able to effectively manage its air quality resources and continue to promote healthy sustainable economic growth while maintaining acceptable levels of environmental quality.

**PROJECT COST:** \$50,000 based the following:

Voluntary Fee	\$50,000
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Estimated useful life of Supplemental Environmental Project = 25 years  
One time, non-depreciable costs = \$50,000  
Estimated annual costs = \$0

### PROJECT SCHEDULE AND PAYMENT:

January 11, 2008: Kraft Foods Global, Inc. will send a check in the amount of \$50,000 to The Climate Registry, P.O. Box 712545, Los Angeles, California 90071-9998, Attn: Accounts Receivable and indicate on the check that it is "For the Benefit of the State of Michigan in Payment of the Voluntary Fee".

**CONTACT PERSON:** Steve Schonhoff, Plant Manager  
Kraft Foods Global, Inc.  
275 Cliff Street  
Battle Creek, MI 49015  
Phone: (269) 966-1000 Ext. 2700  
Fax: (269) 966-1159