

AUG 29 2018



MACES _____ MAERS _____
FILE/CC _____

DCP Midstream, LP
3026 Fourth Ave.
Greely, CO 80631-7422
970-378-6345 Office

August 28, 2018

Michigan Department of Environmental Quality (MDEQ)
Air Quality Division – Cadillac District
120 West Chapin Street
Cadillac, Michigan 49601

Re: Violation Notice – South Chester Antrim CO2 Removal Facility, SRN: N2940 Otsego County

Dear Sir/Madam:

This written response is being submitted to the MDEQ as a result of a violation notice that was received and was dated August 13, 2018, from Sharon LeBlanc, Environmental Quality Analyst, MDEQ. The violation notice was issued as a result of a MDEQ full compliance evaluation (FCE) at the South Chester Antrim CO2 removal facility on May 24, 2018.

Please see the MDEQ violation below.

As part of the Full Compliance Evaluation (FCE) the AQD's District staff requested records electronically on April 25, 2018, for review and evaluation. As a result of the site visit and subsequent records review, AQD staff observed the following:

Process Description	Rule/Permit Condition Violated	Comments
FGENGINES	Special Condition VI.1	Calculate and record in a satisfactory manner, monthly and 12-month rolling time period NOx emissions using emission factors derived from the most recent stack test.

1. During this FCE, DCP was unable to produce the above referenced emission records in a satisfactory manner. This is a violation of (the recordkeeping and emissions limitations) specified in FGENGINES Special Condition VI.1 of MI-ROP-N2940-2015. The conditions of ROP number MI-ROP-N2940-2015 requires maintenance of records, which shall be made available for review upon request by the AQD staff. Calculations by District staff indicated that based on contested June 2014 stack test results for FGENGINES an exceedance of NOx 12-month rolling emission limits may have occurred in 2017 and 2018.

Please see DCP's response below.

1. The dates the violation occurred;

According to engine runtime hours that were provided by DCP to MDEQ and using the contested 2014 stack test results, MDEQ demonstrated that DCP was over the 18 TPY NOX limit based on a 12-month rolling time period for the Months of January – July, 2017 and January & March, 2018. The FCE covered the time period up through March 2018, so there are likely additional months in 2018 that are over the limit as well.

2. An explanation of the causes and duration of the violation;

The cause of the violation originated from the June 2014 stack tests that were performed on ENG-1 & ENG-2, and the NOx emission test results from ENG-2 being more than 50 times higher than ENG-1. DCP believed the test procedure and results were inaccurate and have used MAERS emission factors and recent, portable engine analyzer test results to calculate emission rates. MDEQ personnel informed DCP that only approved USEPA reference method stack test results can be used and based on recent, increased engine runtime hours, we have been over by 0 – 2 TPY of NOX based on a 12-month rolling total. The violation occurred from January – July 2017, January & March 2018, and likely additional months in 2018.

3. Whether the violation is ongoing;

The violation is currently ongoing until we can get a new stack test performed to establish new NOx emission factors for the engines.

4. A summary of the actions that have been taken and are proposed to be taken to correct the violation and the dates by which these actions will take place;

On August 27, 2018, DCP signed an agreement with a testing company (Derenzo Environmental Services) to perform stack testing on ENG-1 and ENG-2 to establish new NOx emission factors. The stack testing is tentatively scheduled to take place the week of October 22, 2018.

5. And what steps are being taken to prevent a reoccurrence.

Other than the new stack testing that has been mentioned and will establish new NOx emission limits, the other factor contributing to this issue was ENG-1 & ENG-2 not running for most of 2015. The contested stack test was not further addressed and didn't become an issue until Plant 6, which ENG-1 & ENG-2 provide power, came back online full-time.

If you have any questions or concerns regarding the violation notice responses, please contact Chad Winn at 405-605-3816 or at cewinn@dcpmidstream.com.

Sincerely,
DCP Midstream, LP



David Jost
Vice-President, North Region Operations

Cc: Ms. Jenine Camilleri, Enforcement Unit Supervisor
Michigan Department of Environmental Quality – AQD
P.O. Box 30260
Lansing, MI 48909-7760

Ms. Sharon LeBlanc, Environmental Quality Analyst
Michigan Department of Environmental Quality
Gaylord District Office
2100 W. M-32
Gaylord, MI 49735