

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection

N558627183

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| FACILITY: ANR Pipeline Company Lincoln Compressor Station | | SRN / ID: N5586 |
| LOCATION: 3991 S. Hickory, LAKE GEORGE | | DISTRICT: Saginaw Bay |
| CITY: LAKE GEORGE | | COUNTY: CLARE |
| CONTACT: Doug Carroll, | | ACTIVITY DATE: 09/16/2014 |
| STAFF: Benjamin Witkopp | COMPLIANCE STATUS: Compliance | SOURCE CLASS: MAJOR |
| SUBJECT: Facility Inspection | | |
| RESOLVED COMPLAINTS: | | |

Ben Witkopp of the Michigan Department of Environmental Quality - Air Quality Division (MDEQ-AQD) met with Doug Carroll of ANR Pipeline Company at the Lincoln Compressor Station on September 16, 2014. The facility is located a couple of miles south of Lake George in Clare County. The facility is under the umbrella ownership of Trans Canada as is Great Lakes Gas Transmission Company located slightly north and west of the ANR facility. The site is covered by renewable operating permit (ROP) MI-ROP-N5586-2012. The equipment at this site takes natural gas from the pipeline network and stores it in underground geological formations during the late spring and summer months. During the fall and winter periods the gas is withdrawn, water removed, and the natural gas is then fed back into the pipeline distribution system.

The facility has 3 natural gas fired compressors and an emergency generator. Based upon the age of the equipment and permit exemptions in place at the time of installation, the equipment did not need a new source review permit. However, since the source is major for NOx, CO, and hazardous air pollutants (formaldehyde), the site is required to have a ROP. The emergency generator is subject to the National Emission Standards for Hazardous Air Pollutants for reciprocating internal combustion engines 40 CFR part 63 subpart ZZZZ (RICE MACT). The requirements are minimal and are in the form of recordkeeping and proper maintenance. The records were checked electronically at the Great Lakes facility. The unit had less than 10 hours of run time starting in 2013 and proper maintenance appeared to be performed. Rather than changing oil, ZZZZ allows the company to perform sampling to check for degradation. The sampling was being conducted.

None of the equipment was running at the time. In fact, Doug said there wasn't a unit in the company's entire area that was running. Compressor unit three had undergone a full overhaul, including new rings, some new cylinders and a completely new foundation. If the unit met the definition of reconstruction then the unit may be subject to ZZZZ.

Water is removed from the natural gas as it is withdrawn from storage. This is accomplished through a dehydrator. However, the dehydration is a dry bed system rather than a glycol system which takes it out of consideration for a variety of regulations.

Given the non applicability of new source review permitting and federal regulations there are minimal requirements for the facility. Basically, the usage of gas combusted must be tracked and pipeline quality natural gas must be used. Again, the records were checked electronically at the Great Lakes facility and were found to be adequate.

Since the ROP had high level citations for the RICE MACT and BOILER MACT (for small boiler) the corporate environmental staff was contacted and asked for determinations concerning applicability. The staff confirmed the compressors were not subject to ZZZZ and the emergency generator requirements were minimal as suspected. The staff was also asked to check into the possibility of "reconstruction" coming into play for unit 3 which would potentially put ZZZZ back into the scene. Given the cost of equipment today it was thought even though an extensive overhaul was performed and a new foundation was put in place the cost expenditure to meet "reconstruction" would likely not be met. Corporate staff stated they examined the possibility and found "reconstruction" was not met.

Based on the operations and records checked, the facility is considered to be in compliance.

NAME B. Z. Itopp

DATE 9-24-14

SUPERVISOR C. Hare