HONIGMAN

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November 15, 2019

Michelle Luplow
Environmental Quality Analyst
Air Quality Division
Michigan Department of Environment, Great Lakes
and Energy
Lansing District Office
525 West Allegan Street
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Re: Energy Developments LLC Wood Street Generating Station

Dear Ms. Luplow:

I am writing on behalf of Energy Developments LLC in response to your letter dated October 16, 2019 (the "VN"). Thank you for agreeing to extend the time for responding to the VN to November 15, 2019.

The VN alleges that the total sulfur in the landfill gas generated at the Wood Street Landfill (the "Landfill") is "considered a change in the method of operation, and affects the exempt equipment at the facility, the four (4) 3516 engines, the three (3) 3520 engines, and the 1,300 scfm flare are part of the project and require permitting."

As an initial matter, I must point out that the 1,300 scfm flare referred to in the VN is owned and operated by Granger Waste Services, Inc. ("Granger"), a completely separate and independent company. Granger received a similar letter to the VN and will respond to that letter separately. Accordingly, this letter addresses only issues concerning the seven engines at the EDL Wood Street Generating Station (the "Generating Station").

First, the VN is incorrect to state that a change in total sulfur in the landfill gas "is considered a change in the method of operation, and affects the exempt equipment at the facility, the four (4) 3516 engines, the three (3) 3520 engines, and the 1,300 scfm flare. . ." In fact, there has been no change in the method of operation. The Generating Station continues to be operated in the same manner it has always operated – to combust landfill gas generated by the Landfill to generate electricity.

The claim that there has been a "change in the method of operation" is based solely on the fact that landfill gas testing by EDL in May 2016 indicated a total reduced sulfur ("TRS") concentration of approximately 916 ppm. Variability in trace components of landfill gas, such as TRS is normal and expected. Subsequent testing by Granger Waste Services in June 2019 show that the TRS has reduced to approximately 470 ppm, about half of the level in May 2016 (these results were previously sent to you by letter dated July 2, 2019).

Accordingly, such normal variation in trace elements of landfill gas do not constitute a "change in the method of operation" of either the flare or the gas-to-energy plant.

The VN also incorrectly states that "potential emissions of SO_2 could be greater than 40 tons per year, which exceeds the significant threshold and may trigger New Source Review (NSR) for a major modification." As you know, the seven engines currently included in the Generating Station were installed at various times as several different projects over a period of over 15 years. In addition, Engines 1 through 4 are exempt from permitting under Mich. Admin. Code r. 336.1285(g) for "internal combustion engines that have less than 10,000,000 Btu/hour maximum heat input." Mich. Admin. Code r. 336.1278(1)(b) further specifies that "any activity that results in an increase in actual emissions greater than the significance levels define in R. 336.1119" is not eligible for any exemption. However, Engines 1 and 2 were installed in January 1993, before the effective date of Mich. Admin. Code r. 336.1278 (effective November 18, 1993) and, therefore, are not subject to the exemption exclusion in Rule 278. Engines 3 and 4 were installed in 1994 and 1998, respectively, as separate projects. Even when the May 2016 test result is taken into account, actual annual SO_2 emissions from Engines 3 and 4 were only approximately 12 to 15 tpy, well below the significance threshold. Accordingly, the actual emissions from the Engines 3 and 4 remain within the Rule 278 requirements, and Rule 278, as a valid state regulation, limits the potential to emit SO_2 from them to be less than 40 tpy. Similarly, Engines 5, 6 and 7, which are permitted, averaged only 20 to 25 tpy individually during 2016-18. Emissions from all these engines are expected to decline further in 2019 as a result of the June 2019 TRS test result.

As you are aware, EDL has plans to discontinue the use of the Generating Station in the Third Quarter of 2020. In addition, Granger Waste Services and EDL have submitted separate permit applications for physical changes to the flare and the gas-to-energy plant and we believe these permits will provide an opportunity to address any concerns EGLE may have regarding SO_2 emissions from these facilities. EDL looks forward to working with you and EGLE AQD Permit Section to resolve these issues.

Thank you for your attention to this matter. Please contact me if you have any questions and to arrange a meeting to discuss the path forward on the pending permit applications.

Sincerely,

HONIGMAN LLP

S. Lee Johnson

cc: Mary Ann Dolehanty, EGLE
Eduardo Olageur, EGLE
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